

The NATIONAL UNDERWRITER



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1951

ASSETS

Cash in Banks and Office	\$ 3,824,513.66
Investments:	
United States Government Bonds	\$20,861,520.07
Other Bonds	17,206,734.92
North Star Reinsurance Corporation Stock	8,367,412.48
Other Preferred Stocks	3,158,700.00
Other Common Stocks	11,319,102.94
Total	60,913,470.41
Balances due from Ceding Companies (not over 90 days due)	33,659.78
Accrued Interest	223,727.53
Total Admitted Assets	\$64,995,371.38

LIABILITIES

Reserve for Claims and Claim Expenses	\$27,917,784.00
Reserve for Unearned Premiums	8,830,015.00
Reserve for Commissions, Taxes and Other Liabilities	3,855,305.47
Capital	\$ 5,000,000.00
Surplus	19,392,266.91
Surplus to Policyholders	24,392,266.91
Total	\$64,995,371.38

Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks owned (other than stocks of affiliates) were valued at December 31, 1951 market quotations, Surplus to Policyholders would be \$24,129,315.84. Securities carried at \$5,860,697.30 in the above statement are deposited as required by law.

Casualty • Fidelity
Surety

NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1951

ASSETS

Cash in Banks and Office	\$ 2,072,485.89
Investments:	
United States Government Bonds	\$9,391,605.91
Other Bonds	8,810,780.62
Preferred Stocks	3,225,300.00
Common Stocks	2,546,885.00
Total	23,974,571.53
Balances due from Ceding Companies (not over 90 days due)	1,089,989.02
Accrued Interest	106,514.66
Other Admitted Assets	257,198.36
Total Admitted Assets	\$27,500,759.46

LIABILITIES

Reserve for Claims and Claim Expenses	\$ 2,708,052.00
Reserve for Unearned Premiums	14,964,298.00
Reserve for Commissions, Taxes and Other Liabilities	1,436,314.02
Capital	\$1,300,000.00
Surplus	7,092,095.44
Surplus to Policyholders	8,392,095.44
Total	\$27,500,759.46

Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks owned were valued at December 31, 1951 market quotations, Surplus to Policyholders would be \$8,163,197.49. Securities carried at \$544,138.32 in the above statement are deposited as required by law.

Fire • Inland Marine
Ocean Marine

90 JOHN STREET, NEW YORK 38

THURSDAY, APRIL 17, 1952

WE ARE CELEBRATING OUR
100th ANNIVERSARY



1852-1952 We are a hundred years old

Proudly we say it, because reaching the century mark is no accident of survival in the insurance business. It is, rather, a tribute to inherent strength and stability, the achievement of accumulated experience and constant change.

Since 1852 our business has been insurance. We have been a part of the most interesting century in American history. We are a part of America today. Our 100 years of experience in the field has made us flexible, adaptable... and contemporary. New ideas, new methods, have been eagerly accepted. Our enthusiastic attitude for doing things the modern way has made possible the smooth, helpful and efficient service our clients, representatives and staff associate with the name Hanover.

The **Hanover Fire Insurance Co.**

Western Dept., Insurance Exchange, Chicago

Home Office, 111 John St., New York

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Stellar Card Draws
900 to Chicago
Insurance DayAttendance Is Record,
Insurance Director Day
Addresses Banquet

A program of top speakers and timely subjects attracted a record attendance of about 900 for Chicago Insurance Day at the Conrad Hilton Hotel. This is an annual educational event sponsored by the Chicago Board, and designed to be of interest to all segments of the business.

The program again was fitted into an afternoon which featured three concurrent sessions, enabling producers to select subjects of especial interest to them. Edward Simon of the Critchell, Miller agency was general chairman. Following the banquet, presided over by Edgar O. Stoeffels, Chicago Board president, and addressed by Insurance Director J. Edward Day, there was an elaborate professional floor show.

Day Cites Premium Growth

Mr. Day, opining that the current period could well be the golden age of insurance, reviewed the growth of premium volume in Illinois for the past decade. For all lines, the increase was 127%, volume of domestic companies rose 312%, and stock fire premiums were up 175%. The speaker contrasted these increases with a cost of living increase in the same period of approximately 75%.

There has been a significant acceleration of multiple line writing by companies which are primarily fire and marine insurers, Mr. Day noted. Last year, he said, these insurers increased their casualty premium writings by 111%.

Mr. Day remarked that "it is perhaps regrettable that this multiple line trend has not progressed very much further. In liability insurance we have a major headache because the experience trend is toward higher loss ratios. But in fire insurance the trend over the years is in the opposite direction. Perhaps in some future day when we hit a disrupting inflationary period like the present the trends on these two major lines will tend to offset each other for companies which have become fully multiple line. In the absence of this happy solution, further revisions as to a number of the fire classes are definitely indicated."

Early Rate Change Notice

The department has urged rating bureaus to announce effective dates of rate revisions early enough so that everyone will be able to adjust to them, Mr. Day said. While technically the bureaus can withhold announcement until the last minute, he said he believes there should be at least a 20 to 30 days' advance notice.

The affair got under way with a showing of the Western Underwriters Assn. film "Introducing the Policymaker" by Walter G. Dithmer, assistant manager. Following the film there were talks on business interruption insurance by Arthur H. Jens, superintendent of agencies of Fireman's Fund, and John L. Schrandt, executive general adjuster of Western Adjustment, and a discussion

Ranking of Groups on
Premium Score Is Shown

In the table below are shown the 1951 premium writings by company groups for 1951, excluding life insurance, and the relative standing in this respect of the groups that had \$3 million or more in premiums:

Rank	Group Name	Premiums Written
1.	Travelers	\$365,535,137
2.	Hartford Fire	294,643,653
3.	Aetna Life Group	286,274,227
4.	Aetna Fire	241,512,193
5.	Home	209,839,891
6.	Ins. Co. of N. A.	203,504,885
7.	Royal-Liverpool	192,373,121
8.	Liberty Mutual	188,926,435
9.	James S. Kemper	147,238,412
10.	U. S. F. & G.	144,229,150
11.	Fireman's Fund	140,125,137
12.	Continental Casualty	131,075,358
13.	Loyalty	126,171,244
14.	Aetna (Fire)	119,451,843
15.	State Farm	116,840,133
16.	General Motors	112,007,604
17.	Great American	106,670,457
18.	Mutual Benefit	105,974,861
19.	St. Paul F. & M.	97,096,127
20.	Coml. Invest. Trust	86,639,560
21.	Allstate	83,973,397
22.	Crum & Forster	83,289,612
23.	Employers	79,380,055
24.	Farm Bureau, Ohio	76,932,673
25.	American, N. J.	75,100,009
26.	Employers Mutual	73,675,796
27.	American Mutual Liab.	70,392,138
28.	American Associated	69,860,405
29.	General America	65,356,281
30.	Phoenix-Conn.	62,980,785
31.	Trans-America	60,905,521
32.	Glens Falls	59,824,779
33.	National of Hartford	58,402,196
34.	Harware Mutual, Wis.	57,017,311
35.	General Accident	56,285,590
36.	Zurich	56,172,969
37.	Swiss Reinsurance	54,633,058
38.	Chubb & Son	52,493,753
39.	Commercial Union	52,241,875
40.	Springfield F. & M.	51,780,863
41.	Standard Accident	51,147,259
42.	American Surety	42,021,296
43.	Coml. Credit Group	40,718,395
44.	Phoenix of London	40,563,061
45.	Ohio Casualty	35,615,023
46.	North British	34,453,822
47.	Fire Association	33,793,097
48.	Boston	33,210,396
49.	General Reins. Corp.	32,889,313
50.	Mich. Mut. Liab.	32,448,418
51.	London & Lanc.	32,033,289
52.	National Union	31,266,245
53.	Corroon & Reynolds	31,076,513
54.	Northwestern Mutual	30,967,762

of merit automobile rating and the inflationary impact on limits by Arthur M. O'Connell, vice-president of the Thomas E. Wood agency at Cincinnati, and president of Ohio Assn. of Insurance Agents.

At another session Urban M. Lelli, secretary of Phoenix of Hartford, talked on "Effective Prospecting Brings Results," and the Chicago C.P.C.U. chapter staged a skit on comprehensive liability insurance, the participants being Robert M. Babbitt, Jr., assistant vice-president of Joyce & Co., and James B. Murphy and Miss Renolva Sipe, both of Edward H. Walters & Co. Mr. Lelli's talk is reported elsewhere in this issue.

Speakers at the third session were E. H. O'Connor, managing director of Insurance Economics Society, on "Time for Action"; Louis W. Biegler, vice-president of George F. Brown & Sons, on "Available Insurance Markets," and F. A. Holderman, Zurich, chairman of Illinois assigned risk plan governing committee, who explained that plan's operation.

Opposes Merit Rating

Strong objection to the merit rating plans for automobile risks was voiced by Mr. O'Connell. He termed such plans a refutation of the theory of accident insurance, adding that the driver who goes for years without having an accident is compiling a record no better than what is expected of him.

According to Mr. O'Connell, merit plans have an understandable fascination for the accident-free motorist as well as for the supervisory officials, and this fascination in turn influences the

Rank	Group Name	Premiums Written
55.	Employers, Dallas	29,953,684
56.	Providence Washington	26,331,309
57.	American Casualty	25,185,814
58.	Hanover	24,888,759
59.	Atlantic	23,854,278
60.	Allied Fire	23,046,730
61.	New Hampshire	22,960,909
62.	American Fidelity	22,708,023
63.	American Reinsurance	22,351,870
64.	Gulf, Texas	22,284,826
65.	Western, Kansas	22,055,001
66.	Security, Conn.	22,026,817
67.	Meserole	21,324,652
68.	Emmco	21,283,548
69.	National Grange	18,682,905
70.	Hawkeye-Industrial	18,541,552
71.	Yarchants, N. Y.	17,607,746
72.	Pearl American N. Y.	17,455,523
73.	Northern of N. Y.	17,358,442
74.	Hdwe Mutual, Minn.	17,327,904
75.	Northwestern National	16,475,572
76.	New Jersey Mfrs.	15,840,415
77.	Agricultural	15,798,679
78.	Ohio Farmers	15,343,895
79.	Sun of London	15,219,173
80.	Bluminous	15,208,046
81.	Trinity Universal	14,568,771
82.	Buckeye Union	13,493,621
83.	Pennsylvania Mfrs.	12,436,761
84.	Globe & Rutgers	12,305,211
85.	London	11,765,582
86.	Central Surety	11,706,468
87.	Royal Exchange	11,608,734
88.	Indiana Lumbermens	10,840,963
89.	Northern, Eng.	10,814,859
90.	Factory Mutual Liab.	9,931,647
91.	Scottish Union	9,855,680
92.	Yorkshire	9,827,090
93.	Houston F. & C.	9,389,223
94.	Republic	9,160,944
95.	Atlas Group	8,981,244
96.	Coml. Standard	8,377,113
97.	Calif. Compensation	8,230,440
98.	J. A. Munro	8,209,891
99.	Fester, Fothergill & Hartung	8,083,002
100.	Caledonian	7,374,786
101.	Millers National	7,155,879
102.	Reinsurance Group	6,827,964
103.	Norwich Union	6,292,204
104.	New Zealand	6,009,756
105.	American Indemnity	5,909,135
106.	Century	5,148,493
107.	Co-operative	5,026,433
108.	General Insurers	4,746,841
109.	Talbot, Bird & Co.	4,214,896
110.	Celina Mutual	4,182,580
111.	Selected Risks	3,914,618
112.	Tri State	3,155,661
113.	Kansas City F. & M.	3,026,282
114.	Ins. Co. of Tex.	

companies. It is the duty of the agent, he continued, to combat what could very well adversely affect the business. The agent no longer sells merely what is given him, but he has a voice in drawing up policy and should exercise that privilege.

Mr. O'Connell said that any merit plan would have its reward in the form of cash, and this would go at the end of the year to the nearly 90% of drivers who were accident free. He then showed how this reward plan could result in a doubling of the premium of the driver suffering an accident. It would be difficult, he said, to pacify this 10% of the drivers, especially those good drivers experiencing the unusual or small accident. If the cost of the cash award were to be spread among all drivers then the accident free drivers would merely be getting back approximately the excess they paid in.

Would Hurt Fair Driver

High loss ratios, Mr. O'Connell averred, are due to inflation rather than an increase in loss frequency; consequently, merit rating isn't the solution. Under merit rating, he remarked, the fair risk now acceptable would become undesirable and have to go to the assigned risk plan. Those few insurers now using a driver reward plan have been successful only because of strict underwriting and the fact that they are the exceptions.

While agents always favor rate reduction, Mr. O'Connell asserted they don't want one that would put insurance cost beyond the reach of the driver who

(CONTINUED ON PAGE 19)

N.A.I.C. Reinsurance
Group Has Another
Look at Old IssuesSliding Scale Problem
and Excess of Loss
Reporting Are Debated

The N.A.I.C. reinsurance subcommittee got through its public hearing at a half-day session at Chicago Monday afternoon. Commissioner Maloney of California presided and he had at his side Cheek of North Carolina. Nelson of Minnesota, the third member, was not present. The two questions under discussion have been on the agenda for some time, and the arguments this week fell pretty much into familiar channels.

The professional reinsurance people were given another inning in their effort to persuade the commissioners to modify a ruling which they say is fatal to sliding scale commissions in the reinsurance business. This ruling is that a ceding company may take credit in its premium reserve only for the commission that is guaranteed under the reinsurance contract and not for any part of the provisional premium.

John W. Lamble of North Star Reinsurance, distributed copies of a proposal for modification of that ruling that had first been broached last December. There are two such proposals and one suggestion was that they be merged. One is to allow credit in the premium reserve of the ceding company to the extent of the minimum commission guaranteed plus such additional commission, up to the provisional amount, as the ceding company's experience based on its average loss ratio for the previous five years indicates will be earned in future years. The other proposal is to give credit for the minimum commission and in addition, if the provisional commission rate does not exceed the minimum commission rate by more than 5%, to the extent of the provisional commission.

Technicalities and Practicalities

Mr. Maloney took cognizance of the argument of the reinsurers that the N.A.I.C. ruling is based on technical grounds and does not take account of practical considerations. Mr. Maloney said the commissioners don't look on it as a technicality. He voiced the belief there is no more reason to allow credit for a tentative commission than to allow an insurer to take credit for its equity in its premium reserve, even though it can show that over the years such will be earned. It is hard, he said, for him to view reinsurance commissions in any different light. He said he recognizes that the professional reinsurance companies are not proposing something that could be used for artificial surplus aid because they include a 5% limitation in their suggestion.

Boyd S. Chiles of Western National of the Fireman's Fund group, argued that the commissioners are leveling a shotgun at the industry when a few rifle shots would do the trick. He conceded that technically the commissioners are right, but the practical effect would be to force the acquisition costs higher.

Mr. Cheek asked why in a reinsurance transaction a flat rate is avoided and in-

(CONTINUED ON PAGE 17)

FASCINATING HISTORY

Hanover Fire Celebrates Its 100th Year of Growth, Progress

NEW YORK—A modest advertisement in the New York Tribune April 15, 1852, announced the organization of Hanover Fire and invited subscribers to buy shares at \$50 each. Initial capitalization was \$150,000. At the end of its first year in business the company paid

of its presidents and other personalities connected with it over the years. The publication of the book is one of the ways in which Hanover is marking its centenary.

Hanover was founded by John N. Wyckoff, a retired broker who wanted to invest his money in a business where he could make his own efforts as well as money count. Among the commodities of his brokerage business, he had handled insurance and he felt he understood it.

Fire insurance was much needed in the New York of that era. Fire losses averaged \$4,750 each, about four times today's figure. Much of the loss was attributable to the spirit of fun and frolic with which the volunteer fire companies responded to fire calls. Considerable heroism was shown, many fires were effectively put out, but fire fighting was regarded as a rare sport in which everybody joined for a good time. In addition, most buildings were frame, the water supply was inadequate, the volunteers developed rivalry to a high point of fire fighting inefficiency, and the practice was common of storing merchandise every which way on wooden shelves and in wooden bins. Manufacturing establishments had oil soaked floors, cluttered corners and open shaftways.

The property owner had one safeguard, insurance. Yet buildings and businesses in the city had increased more rapidly than the number and resources of insurers. Certainly there were too few insurers of demonstrable strength. Conflagrations in 1835 and

1845 had wiped out many of the smaller companies. The community had to have more good fire insurers to support the prodigious business activity and maintain its growth.

With a rented safe, a couple of desks and a high old-fashioned bookkeeper's bench, Hanover began in two small rooms at 7 Old Slip, just off Hanover Square at the edge of the East river. The first policy was on the \$5,000 stock of Croton Manufacturing Co., makers of paper hangings, at 44 Cortlandt street.

By the end of the year, writings were more than \$2,500,000, nearly all local. It was to be some years before agencies came to the fore and business could be written nationally by dispersed agents from a central office.

The company within four months outgrew its Old Slip offices and moved to the basement of Hanover Bank building, which still stands as the famous India house, one of New York's distinctive clubs.

Ahead of Their Time

Mr. Wyckoff had been active in promoting improved fire protection in New York, steam fire engines, appointment of a fire marshal to check incendiaries, etc. He was supported by Philip W. Engs, one of the company's first and staunchest directors. But they were ahead of their time. The volunteer fire companies had too much political strength.

Mr. Wyckoff was ahead of his time in insurance also. The directors objected to his spending so much time on his pet projects, not realizing they would eventually save them huge losses. In 1855 he was forced to resign and Samuel H. Rokenbaugh, a director, was elected.

Mr. Rokenbaugh increased capitalization to \$200,000, most of it snapped up by stockholders. But in 1857, a land boom collapsed, there were runs on some banks, and stocks tumbled. Of all this excitement, not one word appears on the company's records. Hanover was not only solvent but apparently unperturbed. Directors declared their usual 6% semi-annual dividend.

MORE AGENTS

However, to meet the hard times ahead the company needed more business. Mr. Rokenbaugh successfully pleaded the case for going out and getting it by appointing more agents. Directors appointed a committee on agencies which formulated a systematic agency structure, particularly in the east

and south. When in 1858 New York Board became shaky, Mr. Rokenbaugh announced that Hanover would not withdraw as many companies were doing. It became a charter member of the reconstituted board the following month. In April, 1859, Mr. Rokenbaugh resigned for personal reasons and Doras L. Stone, secretary under Mr. Wyckoff and instrumental in his resignation, became the third president.

Mr. Stone was a methodical, precise and careful man. By 1859 fire insurance had grown beyond control of the laws under which Hanover and similar companies had been organized. Irresponsible but highly personable incompetents were unscrupulously undermining the business of sound companies by offering low rate insurance of dubious value. Merchants and Manufacturers Journal ran a series of articles exposing insurers. But of Hanover it said "its officers, however, are prudent, and if no large and unforeseen amount of losses should befall it, may be considered safe. With a little more enterprise, the Hanover might do a more prosperous business, and pay something worthwhile to its stockholders." Hanover was then paying 10% per annum.

Ups Capital to \$400,000

Mr. Stone was conservative. He told his directors that capital might prove inadequate to meet guarantees, and in 1863 it was increased to \$400,000.

With new money, Hanover could go after new business. In 1864, with three other insurers, it formed Underwriters' Agency, with Alexander Stoddard at the head. Purpose was to develop new business west and south of Pennsylvania and east of the Rockies, apportioning the volume among members and assessing them for its upkeep until it was self-supporting.

July 4, 1866, the business center of Portland, Me., was wiped out by fire and Hanover losses were \$20,000, confirming Mr. Stone's warning that capital must be continually increased. Ten days later Mr. Stone died and was succeeded by Benjamin S. Walcott.

Beginning in 1868 Hanover applied the general agency system to New England and other northeast areas. Business continued good and the company increased officers' salaries. When in 1871 the company moved to handsome apartments in the Equitable building, 120 Broadway, Mr. Walcott was earning the then princely sum of \$8,000 a year.

Losses continued light and the company was experimenting with certain participating policies when on Oct. 8, 1871, the Chicago fire started. Hanover's share of the \$200 million loss amounted to \$250,000. These losses were quickly adjusted and paid.

By the following summer, new business was rolling in and the company's financial position was improving every day. Four months later fire struck in Boston for a total loss of \$85 million, of which Hanover's share was almost \$250,000. The recently renewed capital and surplus were insufficient by \$150,000.

(CONTINUED ON PAGE 18)



John Rygel



F. E. Sammons

a 10% dividend—it has not missed paying an annual dividend since.

The company began in Hanover Square, only a few blocks from its present domicile. At that time, 100 years ago, its office hours were 8 a.m. to sunset.

Hanover this year is observing its anniversary, with special festivities this month, including a large dinner in New York City. An interesting history of the company and of the times through which it has lived and grown is contained in an attractive book, "Proudly We Say." The volume is frankly and entertainingly written and it contains sprightly and revealing characterizations

INSURANCE AND REINSURANCE

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ASSOCIATED INTERNATIONAL INSURANCE COMPANIES

Combined Assets Valued Over \$100,000,000

Minister Insurance Co., Ltd., London, England. (Est. 1940)	New Danish Insurance Company of 1864, Ltd., Copenhagen, Denmark. (Est. 1864)
British Commercial Insurance Company, Ltd., London, England. (Est. 1908)	(Reinsured 71.429% by The General Insurance Company, Helvetia, Limited, St. Gall, Switzerland.) (Est. 1858)
London and Edinburgh Insurance Company, Ltd., London, England. (Est. 1919)	Arendal Assurance Company, Limited, Arendal, Norway. (Est. 1860)
Reinsurance Company, Salamandra, Ltd., Copenhagen, Denmark. (Est. 1918)	Lloyd Marocain d'Assurances. (Est. 1940)
(Reinsured 71.429% by The Swedish Reinsurance Company, Aequitas, Ltd., Malmo, Sweden) (Est. 1944)	Compagnie Africaine d'Assurances. (Est. 1950)
The Private Insurers Ltd., Copenhagen, Denmark. (Est. 1786)	The Seven Provinces Insurance Co., Ltd., The Hague, Holland. (Est. 1918)
The Copenhagen Marine Insurance Association, Ltd., Copenhagen, Denmark. (Est. 1852)	The New First Netherlands Insurance Co., Ltd., The Hague, Holland. (Est. 1925)
Reinsurance Company, Russia, Ltd., Copenhagen, Denmark. (Est. 1918)	Vanguard Insurance Company, Limited, Sydney, Australia. (Est. 1951)
The Norrland Insurance Company, Ltd., Stockholm, Sweden. (Est. 1889)	Eagle Insurance Co., Ltd., Paris, France. (Est. 1921)
	Sun Insurance Co., Ltd., Paris, France. (Est. 1865)

Excess Lines

Inquiries Invited

Surplus Lines

STEWART, SMITH (ILLINOIS) INC.

BOARD OF TRADE BUILDING - 141 W. JACKSON BLVD. - CHICAGO 4, ILLINOIS

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MONTREAL

SYDNEY
GLASGOW

NEW YORK
HONG KONG

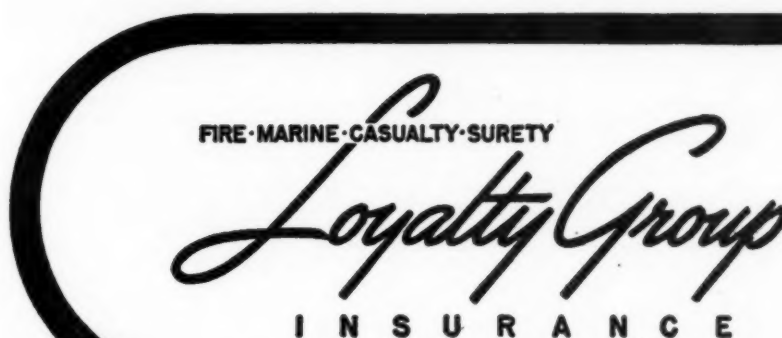
VANCOUVER
CHICAGO

Reinsurance A. E. STRUDWICK Co.

A. E. STRUDWICK, Pres.

E. W. BLANCH, Vice-Pres. THOS. M. DARDEN, Vice-Pres.

610 BAKER BLDG.
MINNEAPOLIS 2, MINN.



FINANCIAL STATEMENTS DECEMBER 31, 1951

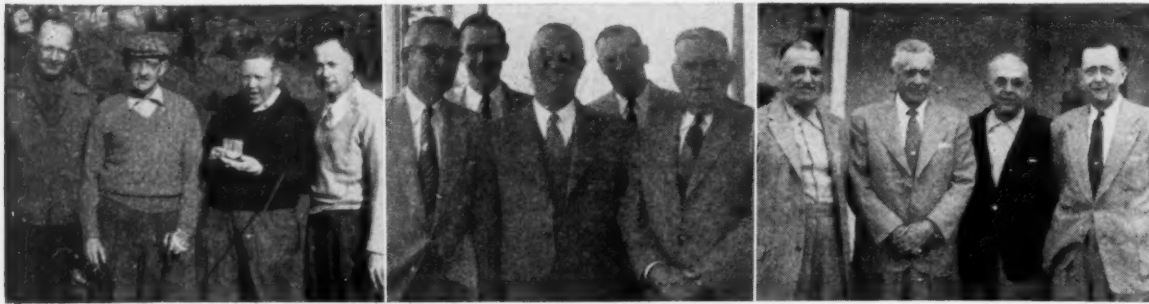
VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,275,000.	\$108,470,990.	\$61,257,086.	\$47,213,904.
Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small>	1,000,000.	10,711,510.	6,979,138.	3,732,372.
National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small>	1,000,000.	10,476,694.	6,617,586.	3,859,108.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	28,159,650.	17,868,349.	10,291,301.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	36,291,676.	27,904,445.	8,387,231.
Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small>	2,000,000.	42,686,336.	33,078,793.	9,607,543.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	433,385.	6,568.	426,817.

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE

10 Park Place
Newark 1, New JerseyWESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, IllinoisPACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, TexasCANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.



Glimpses of those at Western Underwriters Assn. annual meeting at White Sulphur Springs:

Golf foursome: John C. McFarland, American; K. F. Ogilvie, W.U.A. headquarters; J. M. Kidd, Norwich Union, and T. B. Kelley, Commercial Union; Uniform Printing & Supply division quintet: Floyd Hoffmann and John Mitchell, vice-presidents; Walter Reilly, vice-president and general manager; John Mason, assistant western manager, and J. F. Reilly, vice-president; R. T. Sweeney, Caledonian; Olaf Nordeng, Automobile; A. H. Wishard, Northern Assurance, and Herman Winter, America Fore.

Record of Recent Home Promotees

Kenneth E. Black, who has been elevated to executive vice-president of Home, entered the business in 1927 with Liberty Mutual and joined Home Indemnity in 1942 where, in addition to other duties, he supervised Home's ac-

tivities in war damage insurance. He formerly had been vice-president of D. F. Broderick & Co., Dearborn National Fire and Dearborn National Casualty. He became assistant secretary of Home Indemnity in 1946 and secretary of Home in 1947. In 1949 he was made assistant to the president and in 1950 vice-president. He is a director of both companies.

Lester F. Gifford, newly named sec-

retary, joined Home in 1917 as a recorder. He became supervisor of the automobile department in 1935 and was elected an assistant secretary in 1939. He now supervises the agency record department. Robert H. Monds, new secretary, went with Home in 1929 as an underwriter. In 1943 he was made assistant supervisor of the automobile department and in 1947 was elected an assistant secretary. P. Norman Fenton, also a new secretary, became affiliated with the company in 1927 as a special agent at Philadelphia of Franklin Fire. Later serving as a special agent in New Jersey, as manager at Camden, N. J., and, in 1938, as assistant manager at Philadelphia, he was transferred in 1946 to Washington as manager. In 1947 he was made local secretary there.

Five new assistant secretaries have been elected. Lawrence F. Diringer joined Home in 1930 as an examiner at St. Louis, became a special agent in Montana in 1934, state agent in 1944, and manager there in 1947. Later the same year he was transferred to the home office in the Pacific and foreign division. In 1950 he was transferred to the automobile department as assistant manager and was made manager there in 1951.

Bulau Gets H. O. Duties

Alwin E. Bulau joined the company in 1930 with Southern Fire as a state agent in Ohio. In 1934 he was appointed associate state agent and in 1939 was transferred to Indiana as a state agent. In 1947 he was made manager of Indiana. He has been assigned to home office duties. Irwin B. Somerville joined Home's service department in 1933 and was made a special agent there in 1935. In 1949 he was made assistant manager.

Rudolph A. Bahr joined Home in 1938 as an adjuster in Newark, and in 1941 was transferred to the home office in the loss department, automobile division. In 1946 he was made supervising adjuster in the fire division of the southern department. In 1950 he became assistant general adjuster. Carl Typermass, formerly deputy superintendent of the New York insurance department, was employed by Home in 1950 as general manager of its metropolitan department with supervision over New York City and suburban territory. In 1951 he was appointed assistant controller of Home Indemnity, in addition.

MO. RIVER RAMPAGE

Expect Renewal of Federal Flood Cover Agitation

Little in the way of insurance loss is expected to be suffered in the disastrous Missouri river flood. Regions affected had so much advance notice that automobiles, trucks and railroad cars presumably are being gotten out of the way and hence there should be virtually no automobile physical damage losses and losses to merchandise in transit under inland marine policies should be at a minimum considering the extent of the devastation. Early this week there were reports of some meat storage locker plants that were insured and that were flooded. There are bound to be losses under personal property floaters but in the aggregate the insurance loss is not expected to be considerable.

This experience, however, will certainly give new impetus to the proposals for some system of federal flood relief under the label of "insurance." President Truman advanced such a plan with considerable emphasis following the Kansas City disaster just last summer.

Adopt Auto Short Rate Table for Fire Policies in Texas; Revise Town Fire Record Plan

AUSTIN — Two major changes in fire insurance operations in Texas, one providing a revised plan for determining town fire records and the other adopting for fire policies the nationwide automobile short rate cancellation table, have been announced this week by Paul H. Brown, fire insurance commissioner, effective April 15.

Both changes have been "in the works" for some time, being the subjects of extended study by departmental officials and committees of companies and agents. Both are being welcomed, especially since the new fire short rate table will now be the same as the casualty table, thereby bringing uniformity in the fire and casualty business.

Under the new fire record plan, the status of each of the more than 650 units in the state will be promulgated to become effective on April 1 of each year instead of on March 1.

But the most interesting new feature of the plan lies in the provision that the "change in fire record credit or charge shall not exceed more than 5% in any year, except that until April 1, 1957, this 5% limitation shall not apply when any fire record penalty is being reduced or any fire record credit is being increased." This 5% limit on changes, which will become fully effective five years hence, has been advocated by the organized companies for some time.

The new short rate tables take up seven pages of amendments to the general basis schedule, with a 365-day year being used in the computations instead of the 360-day year that has been in effect for years. The major changes in rates appear in the one-year term policy, the percentages of earned premiums on such policies being lower.

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FIRE AND ALLIED LINES OCEAN AND INLAND MARINE

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PAUL RENE de MAGNIN, First Vice President
GARDNER M. LOUGHERY, Vice President

CHARLES W. REICHERT, Secretary
GILBERT KINGAN, Jr., Asst. Secretary

Statement as of December 31, 1951

ASSETS

*U. S. Government Bonds.....	\$2,407,365.02
*Other Bonds	223,424.24
Common Stocks	1,251,829.00
Cash in Banks and Office.....	367,838.21
Balances Under 90 Days.....	159,107.06
Interest Due and Accrued and Other Assets.....	71,055.74
	\$4,480,619.27

LIABILITIES

Reserve for Outstanding Losses.....	\$ 316,495.63
Reserve for Unearned Premiums.....	1,731,441.76
Reserve for All Other Liabilities.....	666,784.04
Capital Paid Up.....	\$ 500,000.00
Surplus Over All Liabilities.....	1,265,897.84
Surplus to Policyholders.....	1,765,897.84
	\$4,480,619.27

*Bonds as above valued on amortized basis. Securities carried at \$555,345.90 in the above statement are deposited for purposes required by law.

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What does your client want to know?

"What's the present value of my property?"

"Is my building fire-safe?"

"Should my property be sprinklered?"

"Are my policies concurrent?"

"Are my fire rates too high?"

"How can I budget the cost of my insurance?"

If you're not sure you have the right answers to questions like these, call on the nearest North America Service Office for dependable technical assistance.

A North America Technical Representative will help you prepare a comprehensive report on your client's insurance requirements. This is an important example of the way your North America Service Office operates to help you provide better service to your clients.

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to hear you say that now I can place my fire
AND casualty AND inland marine AND fidel-
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GROUP

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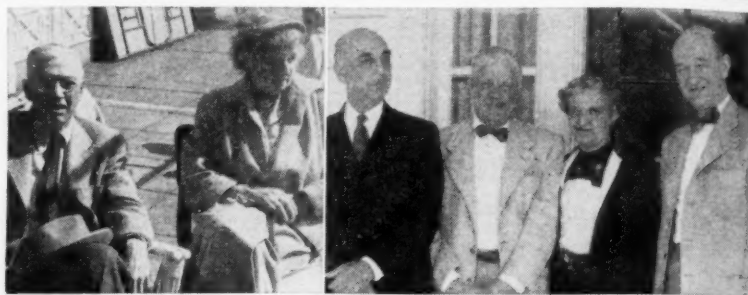


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Robert D. Safford, retired vice-president of Travelers Fire, and Mrs. Safford are shown on sun deck at White Sulphur Springs during the W.U.A. convention; Col. P. C. Cothran, Phoenix of Hartford; Mr. and Mrs. G. L. Pickens of Phoenix and J. C. McGurkin of same company.

International A. & H. Assn. Convention Plans Announced

International Assn. of A. & H. Underwriters will hold its 1952 convention at the Berkley-Carteret hotel, Asbury Park, N. J., June 16-18.

Charles J. Zimmerman, managing director of Life Insurance Agency Management Assn. will address the opening session Monday morning, June 16, and will keynote a program that has been closely tied to the educational and inspirational needs of the personal producer.

Also on Monday's program are Francis Walton, field director of Mutual Benefit H. & A., and Con McCole, district manager of Mutual Life of New York and former mayor of Wilkes-Barre, Pa., who will address the luncheon session.

Speakers at Tuesday's session will be Clayton Walton, manager of Monarch Life at Seattle, and George Francis, National A. & H., Atlantic City.

There will be special sessions of the Leading Producers Round Table under the chairmanship of Joseph L. Cowan of Baltimore, and of the women's division. The council meeting will be held Wednesday morning and the banquet that evening. A feature of the banquet program will be the presentation of the Harold Gordon Memorial Award to the man of the year in the A. & H. field.

The Asbury Park convention is being sponsored by the New Jersey, Brooklyn, Philadelphia and Baltimore associations through a committee headed by Richard Caldwell, general agent of U. S. Life at Newark, and Thorn W. Mock, president of National A. & H. of Philadelphia.

Such 24-month period shall be construed to commence on the date the injury is sustained or the sickness commences.

"This section is only intended to act as a minimum benefit period. It does not in any way attempt to establish liability either while insurance is in force or after insurance ceases.

"Major medical contracts require neither hospital confinement nor disability for benefits to be payable. On any termination date it is necessary, therefore, to establish the status of a then valid claimant, and also to establish for what extended period a then valid claim must be honored by the company. The company's liability period is not determined by going back to the accident or sickness commencement date and extending such date 24 months, or until the policy limits are reached if sooner. The company's liability period would have been the same period had insurance continued in force. If, for example, on April 1 (the premium due date) an insured is incurring expenses as the result of an accident that occurred 23 months prior and he has not as yet reached the policy limits, the company is liable for the expenses incurred until May 1 (if policy limits are not reached sooner), regardless of whether the policy is renewed or not.

"Group contracts that afford a 12-month extension for valid claims as of any date insurance ceases (except because of the failure of the insured to pay the required premium while eligible for insurance) are considered to be within the meaning of this section. These benefit periods are only intended as minimums."

C. F. J. Harrington Slated for Chicago Talk April 30

Charles F. J. Harrington of Boston is to be the speaker at a luncheon gathering of the insurance membership group of Union League Club of Chicago April 30. Mr. Harrington is executive vice-president of National Assn. of Casualty & Surety Agents and is well known as the former veteran insurance commissioner of Massachusetts.

"The State of the Industry As Seen By An Ex-Commissioner," is the topic of his talk. Roy L. Davis of Assn. of Casualty & Surety Companies, is chairman of the group.

Wayne P. Lear, formerly associated with the J. A. Smith agency at Canton, O., has formed his own local agency to be known as the Wayne P. Lear agency.

Minnesota Rating Official Describes Catastrophe Rule

J. P. Koleski, assistant manager of the rating division of the Minnesota insurance department has called attention to what he regards as a misinterpretation in THE NATIONAL UNDERWRITER of April 3 of Minnesota ruling 52-N2 in regard to catastrophe medical policies. He requests that a corrective explanation regarding this section 2 of the Minnesota ruling run as follows:

"Section 2 of the Minnesota ruling states that major medical (catastrophe) contracts guaranteed insured the minimum of 24 months to avail himself of benefits as provided for in the contract.

THE F.B.I. REPORTS!

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Recollections of Some of Hanover Fire's Leaders

By HOWARD J. BURRIDGE

President National Underwriter Co.

Hanover Fire's 100th anniversary, which is being observed this month, centers interest in a company that is representative of the best in American insurance. It is a seasoned, well-managed fire underwriting institution that has followed the rules, has not been tempted to stray from the established path and has not been bogged down by conservatism. As its most colorful president, C. W. Higley, used to say, "There should be a place in thousands of local agencies for a company like the Hanover." It has always been officered by men who never pretended it was the oldest, or the largest, or the best.

Without delving too far back into history or trying to be scrupulously accurate about names and dates, it can be said in a general way that for about the first 65 years of its existence, the Hanover had a slow, conservative growth and that its management was at least somewhat on the old fashioned side. For many years its home office was in a dark, aging, narrow building in Pine Street, just outside the edge of the New York insurance district. The operating equipment was of an ancient vintage. Those who visited the home office during these days felt that the company needed a complete modernization.

Skill in Investments

It got just that when C. W. Higley became the active and dominating factor in the company. He had represented it in the field in Iowa, Minnesota and the Dakotas. After a time he was stationed at Chicago with the title of general agent which actually meant that he was western manager. C. W. was dynamic and aggressive. He operated in the stock market in a broad way, buying and selling shares every day, following the ups and downs of the market closely, and he accumulated an unusual investment equipment. Under his influence Hanover came alive some time prior to 1920.

At first his right-hand man was Fred Hubbard, who went to New York and after following C. W.'s investment suggestions, accumulated enough money to permit him to live in retirement in Florida. After several years of this life he returned to New York to become the head of Globe & Rutgers and when C. W. Higley died he returned to Hanover for several years as president.

Four other Hanover officials were very definitely stimulated and developed through their contacts with C. W. They were Montgomery Clark, John Rygel, A. E. Gilbert and Fred C. Bertiaux. Montgomery Clark was Wisconsin state agent of Hanover for many years. He had an attractive personality and he and C. W. complemented each other in many ways. "Monty" was the one who could take C. W.'s general, undetailed ideas and suggestions and put them into practical effect. He was popular and the kind of a man with whom employees enjoyed cooperating. After serving as western manager he was in New York for several years, first as vice-president and then president. Through his influence a great deal of what C. W. instituted and put into effect was carried on and the modernization of Hanover continued under his regime.

John Rygel, the present vice-president, was a prominent member of what might be called the Higley group in those days. He was one of the biggest producing field men for Hanover, having the Ohio state agency for many years. He was called into the western department to serve as assistant manager and several years ago went to New York as vice-president. He was sales minded, alert and anything but routine in his operations.

Two others who were closely allied

with C. W. Higley are no longer with Hanover. One is A. E. Gilbert, now vice-president of American International Underwriters, for many years vice-president of Hanover at the home office, and Fred C. Bertiaux, now president of the recently organized Florida Home Fire of Miami, but for many years Illi-

nois state agent of Hanover and subsequently assistant secretary at New York. Like the others who constituted the successful coterie that revolved around Mr. Higley, Fred Bertiaux was, all through his Hanover days, an excellent premium producer, an agency builder, and one who contributed a great deal to building up Hanover's agency plant.

C. W. Higley was a great believer in being in close contact with the company's agents, at least its leading ones. He took automobile trips regularly, traveling to all parts of the country and usually taking another Hanover officer

with him. He liked to get on a close, understanding basis with agents, went to their homes for dinner, enjoyed meeting their families and did everything that he could to develop a close, personal association. His influence upon the company is still observable.

In the 1920's when there was so much financial speculation, he was importuned to put Hanover in the casualty business by organizing a casualty affiliate. He was adamant in his refusal to do this, feeling the casualty business to be a hazardous kind of undertaking for

(CONTINUED ON PAGE 19)

YOUR ASSURANCE OF DEPENDABLE PROTECTION IS THE REMARKABLE YEAR-AFTER-YEAR RECORD OF ADT

PERFORMANCE

Properties protected by ADT during 1951 experienced a remarkably high immunity from fire and burglary losses. The impressive figures given below are typical of the records established year after year. They furnish convincing proof of the exceptional value of ADT Central Station Electric Protection Services.

Performance of this type can only be obtained through continuous supervision, regular inspections and tests, and complete maintenance of protective signaling systems. Such specialized attention, as provided by ADT, is vitally important to assure effective operation when emergencies arise.

Write for illustrated booklet, "Protecting Life and Property," describing all ADT Protection Services.

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems	183,330
Waterflow alarms, caused by fires or serious leaks	3,580
Manual fire alarms	138
Insurable values of properties protected	\$9,552,857,000
Ratio of losses to insurable values protected	4/100th of 1%
Fire-loss immunity in 1951	99 ⁹⁶ / ₁₀₀ %
AVERAGE FIRE-LOSS IMMUNITY DURING THE PAST TEN YEARS	99⁹⁷/₁₀₀ %

WATCHMAN'S REPORTING AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal	214,449
Central Stations on schedule	334,615,176
Total number of signals recorded	99 94/100th %
Watchmen's patrol efficiency	1,393
Alarms from Manual Fire Alarm Boxes	\$15,177,188,000
Insurable values of properties protected	8/100ths of 1%
Ratio of fire losses to insurable values protected	99 ⁹² / ₁₀₀ %
Fire-loss immunity in 1951	99 ⁹⁶ / ₁₀₀ %
AVERAGE FIRE-LOSS IMMUNITY DURING THE PAST TEN YEARS	99⁹⁶/₁₀₀ %

BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection	1,907
Entrances effected	1,046
Captures as result of burglar, holdup and other emergency alarms	680
Insurable values of properties protected	\$2,881,400,000*
Ratio of losses to insurable values protected	1/100th of 1%
Burglary-loss immunity in 1951	99 ⁹⁹ / ₁₀₀ %
AVERAGE BURGLARY-LOSS IMMUNITY DURING THE PAST TEN YEARS	99⁹⁹/₁₀₀ %

*Not including the ADT-protected values in bank vaults, the U.S. Treasury, Federal Reserve Banks and branches, the U.S. Mints, and the U.S. Bullion Depositories at Fort Knox, Ky., and West Point, N. Y.

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ADT

W.U.A. to Santa Fe for 1953 Meeting

The fall meeting of the Western Underwriters Assn. is to be held at the Greenbrier, White Sulphur Springs, W. Va., Sept. 29-Oct. 1, it was decided at the annual meeting there last week. The annual meeting in 1953 will be at a new spot for W.U.A., it being LaFonda hotel at Santa Fe, N. M., the dates being April 14-16. The far western point was selected in deference to the Pacific Board since W.U.A. and Pacific Board have a common interest in the three Rocky Mountain states.

The governing committee in its report at White Sulphur said the W.U.A. plan of receiving Illinois fire department tax payments from its members and disbursing them to each municipal unit in lump sums has completed its first successful year of operation. Nearly all W.U.A. companies now participate in this economical program. Under the settlement, a total of \$463,567, was disbursed for the initial fiscal period ending last June 30. There were 26,077 items involved and checks were sent to 778 municipalities and fire protection districts. In former years many small

checks were outstanding for indefinite periods.

The new style open-top policy has received an excellent reception. One-write carbon inserts, if adopted by all W.U.A. companies, could result in an annual expense increase of \$250,000. The rearranged open-top policy has not been filed in Minnesota because it is hoped that the 1943 New York standard policy may eventually be adopted in that state. The W.U.A. policy committee is working to that end.

An investigation by the research committee disclosed that there were 84 losses caused by welding and cutting operations in the years 1946-51 causing loss of \$10,000 or more. The total was \$13,846,362. For the same period the nationwide figure is \$31,800,000 embracing 23,300 losses. In only one case has it been found that the fire was caused by a defective device, although poor or worn-out hose connections were responsible for four losses. "Sparks" were responsible for 50 losses, flame from the torch, 26. In 19 of the losses, the device was being used by outside contractors.

The average loss is \$212,160, and one death results in every five fires.

Although the military draft has made serious inroads on the W.U.A. scholarship program at Illinois Institute of



At White Sulphur Springs W.U.A. convention: J. E. Hackett, U. S. F. & G., Roger Billings, Great American; K. C. White, Underwriters Adjusting, and Mrs. W. A. Ratshman of Pittsburgh; H. M. Mack, Jr., Mountain States Inspection Bureau, and Harvey Snediker, Western Actuarial Bureau.

Technology, the governing committee requested W.U.A. to continue the program. There is a lack of interest from the age group which would welcome the opportunity under more normal conditions, the governing committee stated, and the governing committee remarked that schools for advanced education have many open grants and scholarships that cannot be awarded due to the shortage of students. The greatest problem is to attract young men of high caliber who are interested in property insurance as a career. The field clubs are publicizing the program very well. One company is asking its branch officer to assist in corraling prospective students. In time and under normal conditions such efforts will pay dividends, the committee stated.

So far in the three-year period 13 students finished in June of 1951, one student finished in January of 1951, seven are due to finish this June, eight are due to finish in June of 1953, and four left for military service.

Many Ask About Earthquake Cover After S. W. Tremor

A flood of inquiries poured into the home offices of the fire insurers following the earthquake in the southwest. This was particularly so in Oklahoma, where field men received many requests from agents for information. Apparently most companies are agreeable to writing an unlimited amount of earthquake cover in the territory that

felt the tremor, though most of them want to write it only in connection with fire insurance.

Oklahoma and Kansas are in the No. 4 rating zone, the one with the lowest rate, countrywide. This flurry of interest always occurs after a tremor. There have been several of them in recent years, one near Boston, another in Rhode Island, and a third in New York state. Usually the business expires at the end of the three-year term.

Close to 90% of countrywide earthquake premiums originate on the Pacific Coast. The remainder is scattered across the country. Most of the coverage that stays in force is on commercial risks outside the west coast, though some banks require it on mortgaged property of all kinds.

There is expected to be little or no insurance loss as a result of the earthquake in the southwest since there is practically no business in force there. Damage is said to be light.

To Conduct Insurance Forum

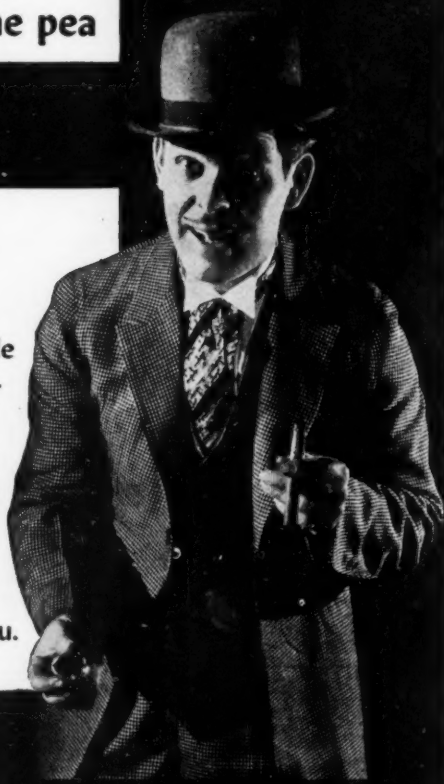
Four insurance executives will conduct an insurance forum at the convention of National Federation of Financial Analysts at San Francisco May 5-8. This is the first time the organization has met outside of New York.

The insurance speakers are Fred H. Merrill, vice-president Fireman's Fund; Richard H. Samuels, Continental Casualty; Horace W. Brower, president Occidental Life of California, and Shelby C. Davis, New York.

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Chubb & Son Moves Partly to Country; Results Good

Chubb & Son has been operating a substantial portion of its home office establishment in its new building in Millburn, N. J., since November, 1951—long enough to test some of the ideas which prompted it to move, in part, from congested downtown New York City. About 475 employees now are working there, in the accounting, tabulating, statistical, bookkeeping, underwriting and, in part, loss departments. Many in insurer management have thought about moving out of crowded, expensive business districts. Some have done so, though for the most part these have been small. So far as is known, the Chubb & Son move is the largest such venture in the New York area. Their experience confirms the suspicion of many that it is an expensive and difficult undertaking, particularly today. But, for some operations, it works, and they are quite pleased at the results.

Better Working Conditions

There were a number of reasons for undertaking the move. But perhaps the most vital reason was Chubb & Son's desire to provide pleasant and attractive working conditions and to continue to attract the type of staff they have had. This was becoming increasingly difficult in overcrowded New York. There was also the lack of space in the building which Chubb & Son occupies at 90 John Street in New York City or in buildings conveniently near. In addition, of course, the rental per square foot of space in downtown New York is extremely high, and there is no indication that it will be less for some time to come. If a company buys or builds its own structure, it faces very high maintenance costs and heavy taxation.

Among the results the organization has attained by the move are the vastly improved working conditions they desired; plenty of space, which permits proper and efficient layout; and a good selection of employees because of location away from the city. Production has increased approximately 25%, figured on a per item count or by number of personnel required to do the same work formerly done in New York. Probably employees that formerly worked in New York regard relief from subway crowding as the biggest boon.

80,000 Feet of Space

The new structure is a large, two-story building located in a park like area about 15 miles from Newark and near the small town of Millburn. It is a handsome building with a great many large windows to provide maximum daylight. In it, the company has 40,000 sq. ft. of floor space per floor. This provides more than ample room for proper layout of work, something that has contributed much to the efficiency of operations there. Non-crowding cuts down talking and avoids psychological collisions.

For practically all workers, the Millburn establishment is only a trip of a few minutes from home. Employees are drawn from an area of 10 to 15 miles, which includes Chatham, Madison, Morristown, Florham Park, Summit, Millburn, Short Hills, Maplewood, Springfield and New Providence.

The country atmosphere undoubtedly contributes to the attraction of the establishment as a place to work.

The labor market today is tough all over, but it is not as tough near Millburn as it is in New York. Interestingly enough, however, the arrival of Chubb & Son in the Millburn area made a considerable difference in the market there. The arrival of the organization has taken up whatever slack existed before.

More than half of the staff is composed of local people. The remainder either moved to Millburn from where they had been living before and whence

they had been commuting to the office in downtown New York City, or now commute to the new office from their same homes.

Relocation of personnel was a long and tedious task. One man from the management staff spent all of his time on it for a year or more and still spends some time helping employees find homes.

Employees newly hired in New Jersey were trained in New York City. During

(CONTINUED ON PAGE 35)



Shown here is the front of Chubb & Son's new building at Millburn, N. J., far from the madding crowd.



First Command for John Paul Jones

On June 15, 1775, the twelve gun sloop, *Providence**, fired the first authorized shot and captured the first prize by naval action in the Revolution. It is singularly fitting that this famous little fighting ship later became the first command for John Paul Jones, first among all American naval heroes.

While under the command of Captain Jones, sixteen British ships were destroyed and many taken as prizes by the *Providence*. During her four year fighting career she "became noted for exploits greatly exceeding what might have been expected from her force."

Progressive Protection since 1799

* Built in Providence by John Brown for commercial use and originally christened "Katy". She first patrolled Rhode Island waters against British men-of-war under authority of the Colony's General Assembly. In December, 1775, she was commissioned in the infant navy of the United Colonies.

John Brown, in 1799, took a keen and active interest in founding Providence Washington.



**PROVIDENCE
WASHINGTON**
Insurance Company

FOUNDED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY • 20 WASHINGTON PLACE, PROVIDENCE, RHODE ISLAND
There are Providence Washington Branch Service Offices in principal cities and Agents from coast to coast.

Story of 1951 Flood Adjusting Unfolded

Western Adjustment has gotten out a 28-page pamphlet with cover setting forth in fascinating style, the obstacles it faced and the part it played in handling adjustments incident to the great eastern Kansas and western Missouri flood in the early summer of 1951. "Operation Deluge" is the title of the pamphlet.

There is included an estimate of the insurance losses. The amount of insurance loss closed and estimated from this flood is set down as \$10,569,755 and the number of losses was 1,974.

The largest classification of loss was "miscellaneous inland marine" and there were 244 in this category with insurance of \$16,848,079 and loss of \$5,189,952. Presumably the TWA loss comprised by far the major portion of this total.

Then there were 61 fire losses for \$2,019,488.

There were 119 losses "miscellaneous merchandise in transit" for a total of \$1,714,963. The grain losses to the number of 322 totaled \$877,645. Then came installment floaters, 635, for a total of \$203,655. There were 471 automobile losses for \$187,988, 27 contractors equipment for \$196,259, flour and/or mill feed 56 for \$88,464, personal property

floaters 89 for \$82,698 and aviation four for \$8,639.

The story is told of the flood in general with effective illustrations and maps throughout and woven into it is the story of the adjustment problems that were faced and how these were surmounted. There is also included a picture of the group of a dozen Western Adjustment men that were primarily responsible for handling the complicated inland marine losses arising out of the flood at Kansas City.

The pamphlet will be read by insurance people everywhere with the greatest of interest. In the conclusion the pamphlet states that the insurance companies bore part of the burden of this disaster. The contribution in relation to the total damage was not large, but was instrumental in helping many businesses and families start back on the road to recovery. Their liability was accepted in a businesslike manner and the losses were paid promptly. Western Adjustment accepted its responsibility in this operation seriously and everyone involved is to be commended for the long hours, patience and determination displayed. Many lessons were learned that will be helpful in meeting future disasters. The experience gained and the procedures formulated and tested under emergency conditions should increase the efficiency in similar operations if the necessity ever arises.



At W.U.A. convention at White Sulphur Springs: Mrs. Chester Zook, Mrs. K. C. White, Mrs. Harvey Snediker and Mrs. Walter Sundstrom, all of Chicago; E. D. Lawson, Fireman's Fund, and Mrs. Lawson and E. H. Forkel, National Fire, and Mrs. Forkel.

Cotton Warehouse Receipt Insurance Plan Is Upheld

MEMPHIS—Chancellor Bejachs has dismissed a suit in chancery court seeking an injunction to halt the operation of the warehouse receipt insurance plan used by Federal Compress & Warehouse Co., brought by two stockholders, seeking to recover \$442,000 paid in commissions to Whitefield, King & Co. for operation of the plan.

The bill charged that the warehouse receipt insurance plan, carried in American Fidelity Fire, was not reinsured to protect policyholders "in the event of a disastrous flood." The court denied this, stating: "The proof shows the policy to be reinsured with Lloyds of London. Lloyds is ample protection, based on its reputation for anyone insured its companies. Any corporation or management that carries reinsurance with Lloyds has carried out its obligation and responsibility."

The court opinion held that "owners of cotton are benefited by this plan by the elimination of the unnecessary dupli-

cation of premiums every time a bale of cotton changes hands" and the "small owner who never before had any insurance" is especially benefited.

Kurt Hitke Moves Atlanta Branch to Larger Quarters

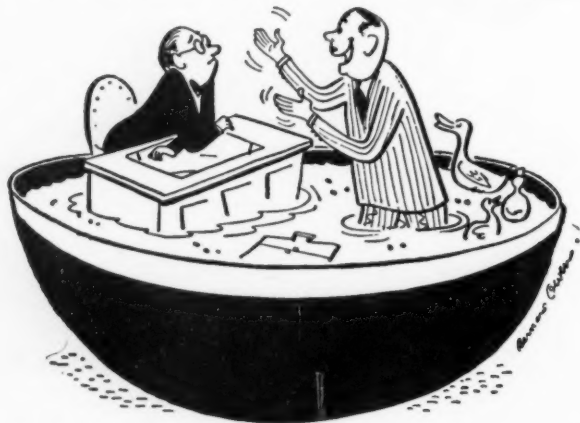
Kurt Hitke & Co. of Chicago is moving its Atlanta branch from the Healy building to considerably larger, air-conditioned offices at 900 Peachtree street, N.E.

The Atlanta branch was established in February, 1951, with Fred R. Mueller, before that chief underwriter at the main office, as manager. Mr. Mueller died suddenly the following month and was succeeded by Wesley C. Duesenberg, manager of the Springfield, Ill. branch.

Trayling Forms Agency

Fred Trayling, former special agent of London & Lancashire in Michigan, is now located at Colon, Mich., where he has established a local agency.

This agent thought IT WAS "DUCK SOUP"



And so it was. He had a long list of friends and acquaintances . . . enough for a tidy little business. It was when the HCL hit him and he decided to expand that he discovered that "handling" insurance isn't quite the same as "selling" it. His friends hadn't asked him the questions his new prospects did. They hadn't seemed to make the same demands, either.

Our friend, being wise, did as smart agents all over the country are doing. He turned to Pearl American to help him service his clients. Pearl American's policy of complete cooperation, flexible company attitude, speedy service and information, is really making insurance selling "duck-soup" for the agents on our team. We'll be happy to have you with us.

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SAN FRANCISCO, 369 Pine Street

NEW YORK, 26 Cliff Street
CINCINNATI, 1423-24 Carew Tower
CHICAGO, 175 W. Jackson Blvd.

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Miss. Legislation Causes Concern

The Mississippi legislature which has now virtually adjourned included in its general revision of the income tax law a provision making all types of insurance companies specifically subject to state income tax. The rate of tax is not particularly burdensome but the reports involved may be costly. There are reports that the governor is displeased with various aspects of the revenue bill and that he may veto it.

There was no change enacted in the premium tax law. A good deal of support had been developed for a bill to remove the policy dividend deduction from life companies and from mutual fire and casualty companies in arriving at the premium tax.

There was a maneuver on the part of the reciprocals and the factory mutuals to get an exception as to them from this provision but in the final washout, the bill was killed and instead the income tax was made applicable to all types of insurers.

Investigation Is Ordered

A house bill was killed that would have provided for a joint committee to conduct a sweeping investigation of insurance, but instead there was adopted a senate concurrent resolution requesting the present standing legislative investigating committee to look into the insurance business and report at the next session.

An automobile financial responsibility bill of the security type was passed but there was inserted a novel provision and one that could cause a great deal of difficulty unless it is subsequently repealed. This provides that the rates charged for risks under the assigned risk plan shall not be higher than the rates prevailing at the time that the financial responsibility bill was enacted. Presumably the author intended to prohibit imposing a surcharge on assigned risks, but that is not how the bill reads. It could very well be construed as meaning that even if there was a general rate increase the rates for assigned risks could be no higher than those that were in effect in 1952.

The bill to create a licensing board on agents which was favored by the commissioner was killed and a bill to repeal the workmen's compensation act was killed.

Rosensweig, Chase Smith Square Off at Cleveland

The Cleveland Treasurers Club at a dinner meeting Wednesday, heard a presentation of the respective cases for stock insurance and for mutual insurance. Spokesman for the stock side of the house was Charles S. Rosensweig, editor of the Insurance Advocate, while Chase M. Smith, general counsel of the Kemper companies, gave the mutual viewpoint.

The questions which were listed for discussion at the meeting included:

What services can the insurance employe, agent or broker perform for the corporate financial executive; under what conditions are mutual policies non-assessable?

Can officers or directors of a policy-holding company be held personally responsible for the liabilities of an insolvent stock or mutual company?

What effect have recent increased losses had on the financial soundness of insurance companies?

How are profits from operations accumulated and distributed in stock and in mutual companies?

McKinley Goes to Denver

James C. McKinley, who has been in the Chicago office of Aetna Fire, has been transferred to Denver as special agent. He will be associated with W. E. Minner, Jr., who is state agent for Colorado & Wyoming.

National Board Medalists Cited

H. C. Conick, U. S. manager of Royal-Liverpool, at a reception for newspapermen Tuesday evening at New York, presented a gold medal award to D. Lee Stoddard, publisher of the paper at Elkland, Pa. He was one of the top winners in the National Board program of recognizing outstanding service in fire prevention. He was selected because of his vigorous campaign to establish farm fire ponds, for reorganization of the fire department into a more efficient force, for establishment of a new voluntary fire watch system to receive alarms, for new fire-fighting equipment and for causing the borough hall to be vacated to make room for the fire department.

Mr. Stoddard won the gold medal award in the weekly newspaper classification. Winner in the daily newspaper classification was Honolulu Star Bulletin. There was a tie for the gold medal awards in the radio classification between stations WOWO of Fort Wayne, Ind., and WSJS of Winston-Salem, N. C.

Those being selected for the gold medals may in lieu of those receive \$500 in cash and a replica of the original medal. The Honolulu paper conducted a continuing campaign for fire safety in schools, hospitals and other public buildings, and ran a series of fire prevention and fire safety articles.

WOWO had a great variety of fire prevention programs and WSJS had excellent tape recordings dramatizing the home inspection campaign by the fire department.

Mich. Legislature Winds Up Work; Few Insurance Laws

LANSING, MICH.—The Michigan legislature has wound up its work with relatively few insurance measures enacted. A recess was taken until May 14-16, when it will adjourn unless it is necessary to reframe the financial program in order to balance the state's budget.

One of the measures considered essential to budget-balancing is an act bringing nearly all Michigan-domiciled insurers under the corporation franchise fee law on a limited basis. A separate bill to tax Blue Cross and Blue Shield on a "per-policy" basis never got out of committee.

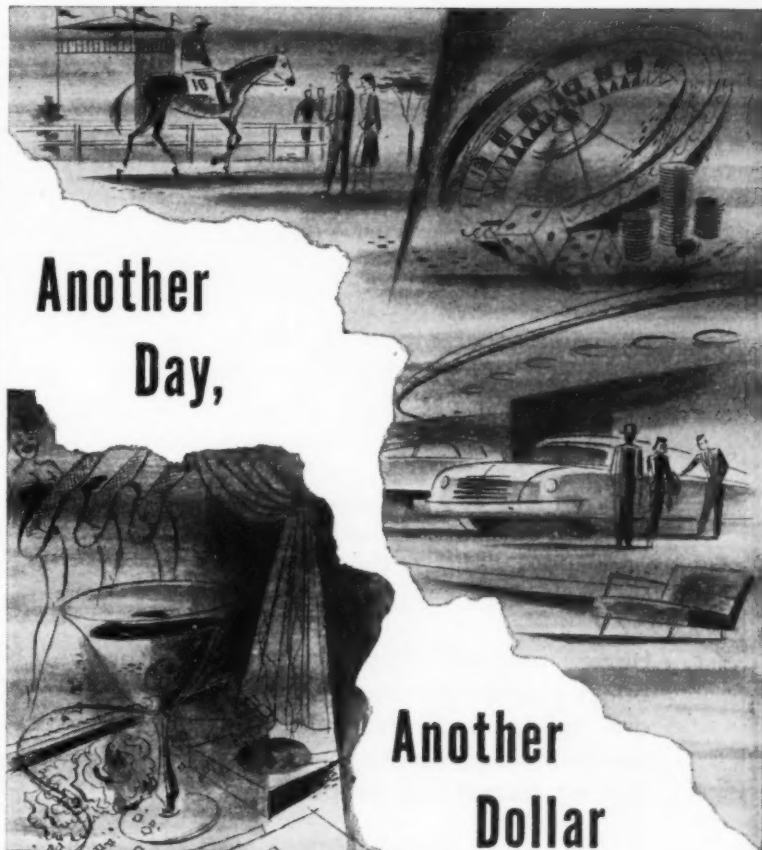
The Michigan department was granted an operating budget of only \$250,800, some \$65,000 less than was asked by Commissioner Navarre and \$2,000 short of the present payroll, based on recent salary raises approved by the civil service commission.

Liquor Liability Bill Passed

A bill which was passed in spite of the organized opposition of Michigan Assn. of Insurance Agents and Surety Assn. of Michigan permits by-the-glass liquor vendors to substitute liability insurance for surety bonds. Also approved was an act which relieves sheriffs of liability for acts of deputies and provides that deputies must be separately bonded, the amount of bond to be fixed by boards of supervisors.

Another new law provides that workmen's compensation policies henceforth may not be canceled until after 20 days' notice to insured. The legislature approved a watered-down measure increasing compensation benefits an average of about \$4 weekly but beat down efforts to liberalize the law in several other respects.

Among measures dying in committees were those to provide compulsory disability benefits; substitute the doctrine of comparative negligence for Michigan's law barring recovery to those guilty of contributory negligence in accident cases; provide that insurers must pay costs of operating the workmen's compensation commission; require compulsory inspections of automobiles; create an unsatisfied judgment fund.



Another
Day,

Another
Dollar

Whose dollar? One your clients' employees have earned or one they've stolen? Every day thousands of people yield through necessity, "high life," or increased cost of living . . . to stealing.

That's why every day our agents are selling the broad protection of the 3D — Dishonesty, Disappearance and Destruction — policy. Another day, another dollar . . . saved.

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Allstate Removes Collision \$25 Deductible Coverage

Allstate is now doing away with the \$25 form in its type of collision coverage designated as progressively diminishing deductible collision or upset. The only form now published in its manual is the \$50 plan. A \$100 plan does not

appear in the manual.

Allstate writes many millions of dollars of premium on this plan. It was introduced about 10 years ago. Under the \$50 plan all losses of \$100 or more are paid in full, no part of losses of \$50 or less are paid and as to losses between \$50 and \$100, there is paid double the part thereof in excess of \$50. For instance: \$60 loss—\$20 recovery, etc.

WHO BUYS MUTUAL INSURANCE

People from all walks of life buy Mutual Insurance.

Lumbermens of Mansfield numbers among its policyholders many of the largest corporations in America — experienced, discriminating buyers who can afford the best.

Lumbermens of Mansfield insures much publicly owned property such as schools, county and city buildings, thus saving money for tax payers.

Home owners, manufacturers, retailers, banks — large and small — by the thousands are safely and economically insured in Lumbermens of Mansfield — one of America's leading Mutual Fire companies.

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Eastern Department...
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Pacific Coast Department...
SAN FRANCISCO

Since 1876
ILLINOIS FIRE Insurance Company
Fire and Allied Lines

Butler, Bohlinger, Maloney Race for N.A.I.C., Office

As the day approaches for the annual convention of National Assn. of Insurance Commissioners at Chicago in June, political skirmishing in behalf of candidates for the office of executive committee chairman becomes more pronounced. This is the spot that leads in the normal progression to the presidency after a year of obscurity in the toga of "veep."

Earliest hat in the ring was that of George Butler, life commissioner and chairman of the Texas insurance supervisory triumvirate. He has a lot of hearty support. His obstacle is too much Dixie, for a South Carolinian—Murphy—is due for the presidency; a Louisiana—Martin—graduates to "veep" and the Virginian Bowles keeps on being secretary. Mr. Butler's partisans dismiss the sectionalism argument, however, and base their claim on Mr. Butler's long service and popularity.

There is an eastern bloc that is putting forward Superintendent Bohlinger of New York and then there is a campaign underway for Maloney of California. The latter is the candidate of the far western coterie but he also has influential supporters elsewhere.

Am. Mutual Alliance Is Moving to Kemper Building

The headquarters offices of American Mutual Alliance and affiliated organizations are to be moved next week to the Kemper building at 20 North Wacker drive, Chicago. The offices have been in the Palmolive building in North Michigan avenue. The affiliated organizations are Federation of Mutual Fire Insurance Companies, National Assn. of Automotive Mutual Insurance Companies, National Assn. of Mutual Casualty Companies and Mutual Insurance 200th Anniversary Committee. The telephone number will be Financial 6-5190.

Fire Safety Booklet for Homes

A booklet pointing out common fire hazards in the home and showing how they can be eliminated has been published by National Fire Protection Assn. Among the subjects discussed are smoking hints, fundamentals of safe electric wiring, safety precautions for stoves, requirements for chimneys, fire-safe housekeeping and guarding children. It also advises holding family fire drills, installing fire detection and extinguish-

New N. C. Building



A new office building at Raleigh, N. C., to accommodate increasing volume of business in the southeastern department of Northwestern Mutual Fire is now under construction and is expected to be completed and open for business May 1, according to J. M. Battle, vice-president and southern division manager. The building has been designed to take care of any future expansion as required.

An attractive combination of crab orchard stone, roman brick and special paneling are blended in the construction. The interior includes all modern improvements.

ing equipment, and tells briefly what to do in case of fire.

Chubb Deductible Plan OK'd in N. C. for All Insurers

RALEIGH — Commissioner Check has approved Chubb & Son's deductible fire policy for large risks for use as a plan in North Carolina but not as a deviation. This means, he explained, that the plan will be available for use by any company desiring to use it.

North Carolina Fire Insurance Rating Bureau had opposed the Chubb plan, contending it was discriminatory in favor of big risks and questioning the formula used in determining credits. Proponents pointed out the plan is designed to offer catastrophe protection to large risks which are presently self-insured. Opponents questioned its effect on the insurance business in general and expressed fear that it might encourage self-insurance.

The policy, available only to risks with at least a \$500 premium per policy, offers deductibles ranging from \$5,000 to \$250,000.

Aetna Names Davis in Ark.

J. Gordon Davis has been appointed special agent in Arkansas for Aetna Fire. He was with the insurance department of a Little Rock bank before entering the navy and after his discharge in 1946 joined the Loyalty group as special agent in Arkansas. Later he became manager of the insurance department of a bank at Stephens, Ark. and in 1950 went with a Stuttgart, Ark. agency.

Tin in Denver Manager

Superior of Dallas has promoted Glenn Tinnin to manager of its Denver service office, covering Colorado. He served for a number of years as special representative of Superior in east Texas.

Cabell Gray, St. Louis local agent, and his wife were injured seriously in an automobile accident near Carlinville, Ill. They are now at Deaconess Hospital.

Arthur Daly of North America spoke on salesmanship at the April meeting of Mariners Club of Philadelphia.

Does your client know when he is Under-Insured? Over-Insured?

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OFFICES IN PRINCIPAL CITIES

Mutual of New York

NEW YORK — Mutual of New York is now approaching to write fire policies through centers of recommended underwriters. Fire, speaking conference of the New York Assn. and Insurance Exchange projects usual high values risks.

"Many new built in outlying shopping centers fire protection," Holmes said. "partments are remains are weaker. Local are new large area fire contribution."

U. & O. Not

E. R. Sturgis, president of Mutual of New York, said that the need for fire insurance is not as great as it once was. "Although small, it is to be seen there has been the adjustment of losses," he said. "It is a difficult task to require a fair adjustment of losses." T. L. Osborn, National Retail Underwriting Association, said that the need for fire insurance is not as great as it once was. "Although small, it is to be seen there has been the adjustment of losses," he said. "It is a difficult task to require a fair adjustment of losses."

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Eugene Granger, manager of Fire, discussed the use of appraisal premium. R. E. Nelson, Central Mutual, said that the need for fire insurance is not as great as it once was. "Although small, it is to be seen there has been the adjustment of losses," he said. "It is a difficult task to require a fair adjustment of losses."

"Hunch" Under

The increased classified experience described by W. Underwriter, "Hunch under past and only obtainable from industry experience," he said that since many have been taken at face value when company under Edward R. Improved Risk histories in large ones. The principal cause of fires—delayed contents, poor fire department construction, D. T. Haw Mutual Loss on loss adjustment policies. He holder, by

Mutual Men Review Writing of New Industry Risks

NEW YORK—A conservative approach to writing super-markets, shopping centers and housing projects was recommended by H. G. Holmes, chief underwriter of Northwestern Mutual Fire, speaking at the fire underwriting conference of Mutual Insurance Advisory Assn. and Assn. of Mutual Fire Insurance Engineers. He said these projects usually involve large areas and high values and consequently large risks.

"Many new super-markets are being built in outlying sections or in suburban shopping communities where the public fire protection is frequently weak," Mr. Holmes said. "In these areas, fire departments are more widely spaced, mains are smaller and pressure is weaker. Local fire departments frequently are not equipped to cope with large area fires. Inferior public protection contributes to large losses."

U. & O. Not Generally Understood

E. R. Sturgeon, vice-president of Employers Mutual Fire, discussing business interruption insurance, said insurance has not acquainted the public with the need for this coverage, and has not made it easily understandable.

"Although the premium has been small, it is to the industry's credit that there has been very little litigation in the adjustment of business interruption losses," he said, "despite the fact that it is a difficult loss to adjust and requires a fair attitude on the part of all parties concerned."

T. L. Osborn, Jr., vice-president of National Retailers Mutual, spoke on the underwriting aspects of mutual line problems. He said that regardless of whether a new kind of insurance is created by combinations of various coverages, the underwriter must have an open, flexible, imaginative and ingenious mind if he is to evaluate the exposures and hazards of a multiple line coverage form, measuring such against rate and premium. The inspection of multiple line risks will require more versatility on the part of engineers and inspectors, he said.

Eugene Graf, assistant underwriting manager of Allied American Mutual Fire, discussed the problems arising from the use of annual renewal and installment premium payment plans.

R. E. Nelson, assistant secretary of Central Mutual, spoke on processing multiple location policies. Franklin J. Marryott of Liberty Mutual talked on regulatory aspects of multiple line problems and S. F. Coffin, general chairman of the conference and vice-president of Lumbermens Mutual, reviewed fire underwriting.

"Hunch" Underwriting Is Out

The increasing importance of using classified experience figures was described by W. C. Smith, assistant chief underwriter of Liberty Mutual Fire. "Hunch underwriting is a thing of the past and only by using all the lessons obtainable from experience can the industry expect to be successful in the future," he said. He warned, however, that since many experience figures can't be taken at face value, judgment is imperative when they are used to set up company underwriting policy.

Edward Robedee, general adjuster for Improved Risk Mutuals, analyzed case histories in which small fires had become large ones. The examples illustrated six principal causes for the spreading of fires—delayed discovery, susceptibility of contents, poor housekeeping, inadequate fire departments or equipment, type of construction, and delayed call to fire department.

D. T. Hawkins, assistant manager of Mutual Loss Research Bureau, spoke on loss adjustments in reporting form policies. He explained that "the policyholder, by making regular and full

reports of all insured values, can be assured of the maximum limit of recovery in the event of loss."

An open session was held Wednesday afternoon with J. W. Huntington, president of Western Mutual Fire, as chairman. The panel included W. T. Tower, vice-president of Federal Mutual Fire; F. A. Greenwood, assistant secretary of Lumbermens Mutual; J. A. McCormic, assistant vice-president of Pennsylvania Lumbermens Mutual, and Leo H. Wausau, chief engineer of Federal Mutuals.

Wausau Votes F.P. Prizes

Wausau (Wis.) Insurance Board has appropriated \$100 for prizes to be divided among winners of a fire prevention poster contest for pupils in the upper grades of local and nearby schools. Winning posters will be exhibited there during Fire Prevention Week and also entered in a state contest.



Views on sun deck during W.U.A. convention at White Sulphur Springs: A. C. Ruehl of Travelers; Mrs. W. B. Rearden, Jr. of Philadelphia, and Mrs. R. W. Hilles, Jr. of Philadelphia; C. H. Metzner, W.U.A. headquarters, George A. Whitford, Fire Association, and H. C. Bean of Travelers.



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1952

Program of Mutual Agents Announced

E. F. High of Columbus, president of National Assn. of Mutual Insurance Agents, and Burl Knight, general convention chairman, have announced plans for the mid-year meeting at Colorado Springs May 12-14.

O. E. Reed, Denver, president of the Mountain States Assn., will welcome the delegates at a luncheon May 12, with Mr. High presiding. That afternoon Andrew S. Beshore, Harrisburg, Pa., inspirational speaker, will be heard and N.A.M.I.A. officials will present a progress report under the heading, "What Makes an Association Tick."

Speakers the morning of May 13 will be George D. Haskell, Chicago, executive secretary mutual insurance committee on taxation, on "The First 200 Years Are the Hardest"; N. E. Flanagan, vice-president of Lumbermens Mutual Casualty, on "The I in the Dollar Sign," and Claude P. Coates, Fort Worth, "Let's SELL Our Merchandise." The special film, "No Longer Worried," prepared by the 200th anniversary committee, will be shown.

Wednesday morning Ralph W. Carney, Coleman Co., Wichita, will talk on "Selling to Defend America" and a group of five successful mutual agents will discuss "Selling Slants." They include Leo J. Buettner, Johnstown, Pa.; Arthur Levy, New Orleans; William Frick, Kansas City; William Wehrman, Denver, and H. C. Johnston, III, Philadelphia.

The Frank Bettger movie, "From Failure to Success in Selling," will be shown through the courtesy of Mill Owners Mutual Fire.

The convention will close with a banquet and entertainment Wednesday evening.

Woodhouse Insurance Head

Charles H. Woodhouse has been named insurance manager of National Supply Co., manufacturer and distributor of oil field machinery and equipment. He was formerly employed for two years in the insurance department of Jones & Laughlin Steel Corp. and previously was an independent insurance broker. He is a graduate of University of Pittsburgh in 1942.

Savings Banks Forum Story

The Savings Banks Insurance Forum of New York has issued a history of its activities since it was organized in 1941.



Launching a new national home fire prevention campaign, Percy Bugbee, general manager National Fire Protection Assn. (left), presented "Sparky," 2-month-old Dalmatian firehouse dog, living counterpart of the new campaign symbol (pictured in background), to Douglas Erskine, secretary Insurance Executives Assn., at kick-off luncheon at New York.

A statewide organization, it has grown in prestige and size, but its purposes remain substantially the same. These are exchange of ideas and information and informing the insurance business of the forum's aims and desires to further and improve the profession. Besides the narrative, the book has an exhibit of the constitution and by-laws and abstracts of the meetings and speakers featured through the years. John Danko of Central Savings Bank is chairman of the history committee.

Nutt at Grand Rapids

Hal L. Nutt, director of the life insurance course at Purdue University, will speak on "Building Men" at a breakfast meeting of the local association of Grand Rapids Friday. Nutt will also speak before Grand Rapids Life Underwriters Assn. Friday noon.

N. Y. Mutual Agents' Card

Mutual Agents Assn. of New York State is holding its annual convention at Syracuse April 21-22. Speakers include Senator Ives; E. F. High, president, and Henry D. Bean, vice-president of the National association; George J.



At White Sulphur Springs meeting of W.U.A.: H. P. Vincent of D. Cliffe Stone general agency of Nashville; Mr. and Mrs. C. R. Welborn, Underwriters Laboratories; Olaf Nordeng, Automobile; M. E. Peterson, Springfield F. & M., new W.U.A. president; D. H. Moore, Home; C. W. Ohlsen, Sun, and R. E. Minner, Home.

Schepens, manager New York Automobile Risk Plan; W. H. Rodda, secretary Transportation Rating Bureau; Harry C. Foster, research underwriter of Utica Mutual; Robert W. Moree, agency supervisor of Merchants Mutual Casualty, and Edward F. Curren, manager New York Cooperative Underwriters.

Douglas Erskine, secretary Insurance Executives Assn., attended the National Fire Prevention Assn. lunch-

eon in New York City where N.F.P.A.'s fire prevention advertising campaign was outlined. This features a young Dalmatian dog by the name of Sparky, and Sparky was on hand. Mr. Erskine was the lucky man and now has the dog at home, where he discovered that the pup was younger than he hoped.

The Tulsa office of General Adjustment Bureau has been moved to a ground floor location at 708 South Boulder avenue.

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FIRE AUTOMOBILE INLAND MARINE

Lloyds Reinsurance Issue Gets to Cal. Legislature

LOS ANGELES—California department's ruling that London Lloyds reinsurance must be on the same footing as other alien, non-admitted cover, so far as premium reserve credit with ceding insurers is concerned, had repercussion at the final sessions of the California legislature. It came in the form of a senate resolution to postpone the effective date of the ruling to Dec. 31.

This was presented by three senators for legislative recommendation by an attorney in behalf of one of his clients in San Francisco, and was presented without knowledge of committees studying the subject. The resolution was adopted by the senate, but was killed in the assembly by being referred to the interim committee on insurance and finance.

There is a lot of bad feeling engendered by this situation.

Travelers Expands Holdings

Travelers has enlarged its holdings in the Front street area of Hartford and is negotiating for the purchase of six additional pieces of property.

The new acquisitions will give the company a frontage of 250 feet on Front street, with a depth of about 250 feet. With its main buildings nearby on Main street, Travelers may develop its new purchases for "advantageous use" later, a spokesman said.

Report on Far West Parley

At a meeting of the King County Insurance Assn. April 22 at Seattle, reports on the Far West Agents' Conference at San Francisco will be given by President N. C. Greer; H. P. Sargent, State national director; LeRoy Hunter, vice-president of the King County Association; R. C. Jenner, chairman of the fire contact committee of the Washington association, which met with the Washington advisory committee April 3, and others.

Following the business meeting, there will be a cocktail hour and dinner.

Corroon & Reynolds Report

Corroon & Reynolds Corp., and subsidiaries in their report for 1951 show operating income, before taxes of \$1,043,256, which compares with \$1,046,501 for the previous year. Consolidated



Danny Holt of New Haven is shown here getting the alert youth gold medal of National Assn. of Mutual Insurance Agents for saving an 11-year-old friend who fell through the ice. The presentation by Bryson F. Thompson, New Haven agent and past president of the association, was made on the Don Ameche-Frances Langford national TV show at New York. Mr. Thompson is at the right.

net income for 1951 was \$815,453, equal after preferred dividends, to 79 cents a share of common stock. For 1950, a consolidated net income amounted to \$876,716, or 86 cents a common share. J. F. Corroon, president, points out that "the reduction in per share earnings is a direct reflection of increased federal taxes."

Harbor Program at L. A.

At the April 22 meeting of Insurance Assn. of Los Angeles the program will be presented by the harbor committee, headed by A. N. Bushnell, Jr., and Herman Schroeder. The public relations director of the Los Angeles harbor department will show a film presenting the present activities of the harbor.

Dinner for Coast Loss Men

Pacific Coast Fire Loss Assn. is holding its annual dinner at San Francisco April 17. Past president certificates will be awarded by John Henry Martin, manager of General Forms Bureau, to Elwood Godsall, formerly with St. Paul, and J. Harold Sommers, assistant manager of Northwestern National.

Bert Stewart, Jr., field secretary of National Automobile Club, will speak on "Little Holes Sink Big Ships." Jay R. Jones, president, will be master of ceremonies.

Hearing on License Rule

ST. PAUL—A hearing will be held April 22 on Commissioner Nelson's new rule providing that any agent previously licensed, who fails for two consecutive years to renew his license, shall not be eligible for a new one until he has filed an application with the commissioner and successfully completed a new written examination.



Mrs. George A. Whitford of Philadelphia; Mrs. W. C. Widerman of Camden, N. J., and E. W. Doremus of Eastern Underwriters Assn. at W.U.A. meeting.

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N.A.I.C.

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N.A.I.C. Group Again Views Reinsurance

(CONTINUED FROM PAGE 1)

stead a premium is stated and then a commission is cut back.

C. D. Obrecht of Inter-Ocean Reinsurance said this is done because there are actually two different items involved, one being the commission and the other the premium. The payment is a net dollar balance but the commission and the premium are entered separately in the statement.

Like Auto Merit Rating

Karl Blaise of Inter-Ocean Reinsurance said that the sliding scale commission is not unlike auto merit rating. Mr. Blaise may have been slyly adverting to the fact that Mr. Maloney had just recently come out in favor of an individual auto merit rating plan as advocated by Superintendent Bohlinger of New York.

John A. Diemand, Jr., of North America said that it is like a retrospective premium plan except the adjustment is in respect of commissions.

Mr. Lamble said that until the sliding scale commission became prevalent the reinsurers were always on the ragged edge and they were able to offer very little in the way of service. For instance, only five years ago the maximum premium of any company that was represented in the hearing room was only \$3,600,000. The sliding scale commission has enabled the reinsurers to be of real substantial service. The trouble has come from just one or two companies and the professional reinsurers are just as anxious as the commissioners are to keep them out of the field.

The second subject was the proposal of North America for a separate reporting of excess of loss experience and for an accumulation of loss reserves out of premiums over a five-year period on this class of business. Mr. Maloney recalled

that the commissioners had referred this to the blanks committee not only for ministerial action but for an expression of views of the blanks committee.

The blanks committee subsequently met and referred the matter to a subcommittee for future study.

Mr. Diemand led off and observed that U. S. insurers lean heavily on foreign markets for catastrophe and excess of loss reinsurance. He said it is uncertain what will happen to the Churchill government or to the economy of England and he asked what would happen if the U. S. would have to stand on its own feet so far as this insurance market is concerned. He predicted that then there would be a rush on the part of U. S. insurers to get into the business because the market would be restricted, premiums would be high and inviting and there would be the danger of insurers going overboard, getting in beyond their depth and coming to grief. Hence he said the reinsurers should be required to spread their underwriting profit.

Tax Problem Surveyed

He alluded to the tax problem involved, saying that even if this spreading of the profit entailed no tax relief, nobody would be any worse off. How the matter would be treated for tax purposes would be a question between the companies and the internal revenue bureau.

J. Ray Berry, general counsel of National Board, outlined the opposition. He contended that there is no immediate problem involved and said that the forum was dealing with an anticipatory problem. North America is the largest single company market for this type of business in the U. S. and its 1950 excess of loss premiums were only \$2,200,000.

and this, he said, was only 1/10 of 1% of the total fire premium writings and was between 1% and 2% of the premiums of North America. He contended that this reduces the problem to one of small dimensions. He went on to say that this business has been written in the U. S. for many years, mainly through pools. He mentioned that to indicate his belief there is no emergency situation involved.

Method for Distributing Profit

Mr. Berry contended that what is proposed is not a loss reserve but a method for distribution of net profit over a five-year period instead of reporting the profit for the year in which it is earned.

He said North America argues that it is bad practice to boost surplus one year and take it down the next because of the gyrations of the excess of loss business. This is no different from other insurance results, he said. It might just as well be argued that all underwriting profit should be deferred over a five-year period.

The 1950 losses of North America in excess of loss business were \$4 million or there was an excess of losses over premiums of \$2,100,000. Mr. Berry ventured the opinion that North America's direct loss on windstorm was even greater than that.

The proposal, Mr. Berry charged, is a frontal assault on the annual statement and violates the principle that the operating statement should reflect the true earnings. The tax problem involved is one of major proportions, he contended. He said there is no other business besides insurance that is allowed to base its income tax on state regulation and he said the insurance industry has earned that right because the treasury department has discovered over the years that the insurance company annual statement forms give a true record of earnings. He said that under the North America proposal there would be some tax relief and he contended that the treasury department would not stand for that. The danger that the tax law might be changed cannot be dismissed.

Mr. Diemand said that some of the most important companies pulled out of the excess of loss reinsurance pool because they got sluggish so hard in 1950. He contended that if the five-year reserve plan that North America proposes had been in effect, these companies probably would not have pulled out. As a result of these companies retiring from the field there is a shrinking market and that is not good for the business.

Mr. Diemand said that the proposal is somewhat comparable to schedule P in the casualty business. He alluded to a criticism on the part of Mr. Berry that there would be larger contributions to the reserve in good years and smaller ones in bad years. That is precisely what is wanted, he said, to build up the reserve when the company had the money to do it with.

On the argument that a contingency reserve could be used for the purpose he said the trouble is that this is not governed by formula and it always is a matter of debate whether a situation is serious enough to justify taking down the reserve. He opined that so far as taxes are concerned, the income tax people would not object to the proposal because it would tend to generate steady results.

Mr. Berry said if this principle is good for one line of business, why isn't it good for others?

J. R. Glennon, Illinois deputy, who is chairman of the blanks subcommittee on this matter of segregation of excess of loss experience, announced at the Chicago gathering that he intended to have a meeting of his group in Chicago prior to the June convention of N.A.I.C. so that all interests may have an opportunity to be heard fully.

The Neil L. Toedman agency at Topeka has purchased the former home of the late Charles Curtis, former Senator and Vice-President, for agency offices.



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PAWTUCKET MUTUAL

FIRE INSURANCE
COMPANY

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RHODE ISLAND



Hanover Celebrates 100th Anniversary

(CONTINUED FROM PAGE 2)

000. Directors reduced capital to \$250,000, making the par \$31.25 instead of \$50. Thus each stockholder was assessed \$18.75 per share or a total of \$150,000. By February Hanover was again sound.

In 1875 capital was increased to \$500,000. That year Mr. Engd died and was succeeded by Aretas Blood, head of the famous company that made Amoskeag fire engines. In 1879 capitalization was again increased, to \$1 million. Steady growth continued. Mr. Walcott died in 1890 and was succeeded by I. Remsen Lane. In 1893, it contracted for the construction of a 10-story skyscraper on Pine street.

Almost at once a sudden, sharp panic occurred, the result of over-expansion, followed by an acute depression. Hundreds of businesses went broke, thousands of men were out of work. Years of careful accumulation of surplus now provided Hanover with a cushion that served against bad times. The management brought the organization through intact though all salaries were reduced and expenses cut to the bone. Yet dividends continued to be paid at a reduced rate and largely out of surplus.

WHY DIVIDENDS

Apparently there were four reasons why Hanover paid dividends during this time. Mr. Lane and his associates were proud of the long unbroken record of paying dividends and were determined to maintain it to the last ditch. Stockholders in an insurance business were a much more important factor in operation than in an industrial concern. They might be called on at any time as they had been after the Chicago and Boston fires to put up additional money to keep the company operating. So it was as important to keep them on the payroll, so to speak, as to keep employees. In addition, an increasing number of stockholders were also agents, many of whom had invested extensively in Hanover stock. They were producers, and there was a double reason for keeping them active in the affairs of the company. Mr. Lane had an unshaken faith in the swift recovery of business in a country growing as rapidly and vigorously as the U. S. in the 1890s.

This faith paid off. By 1894 Hanover business turned upward. By 1896 profits were handsome. The salary of the president was more than restored to a whopping \$12,000 a year. The old semi-annual dividend rate of 5% was resumed.

Part of the credit for this recovery was the indirect result of an event that seemed a misfortune in 1893, when Underwriters' Agency was in such shape the companies were unable to agree on continuing to support it. This left Mr. Stoddart, its manager, out on a limb, from which Hanover quickly picked him, making him general agent for the company alone. From then on he was responsible for great increases in Hanover business throughout the midwest and south.

Between 1898 and 1900, there was a spirited fight between Charles A. Shaw, second vice-president of Hanover, and

a syndicate headed by Price, McCormack & Co. The latter sought to gain control of Hanover and by reinsuring it, liquidate it and secure the surplus. This had been done with one or two companies.

Hanover took the Baltimore fire losses of 1904, \$362,000, in stride. In 1906 Mr. Shaw, who had been elected president to succeed the ailing Mr. Lane, resigned to be commissioner of the board of water supply in New York, one of his pet public projects.

Hanover's losses in the San Francisco fire amounted to about \$1 1/4 million. This brought surplus down to \$250,000, and stockholders were persuaded to agree to a reduction of the value of the company's \$1 million par. There were 10,000 shares called in and 10,000 new shares at \$50 sold.

R. Emory Warfield, a wealthy Baltimorean with a long and successful underwriting experience there and in Philadelphia, succeeded Mr. Shaw. He was more conservative than Mr. Shaw and combined this with a regal, unapproachable manner.

The vigorous, aggressive business getters in the field thought the conservatism of Hanover at this time too confining and restrictive. In 1907 the western manager, C. W. Higley, resigned, joined by his righthand man, Fred A. Hubbard. They planned to organize American F. & M. of Minneapolis. Their idea was that Hanover had suffered discouragement of its producing organization by conservatism and a lack of lines to sell.

Keep Higley and Hubbard

The management made extensive concessions to Messrs. Higley and Hubbard to return to the company, which they did. The underwriting policy was greatly liberalized. The charter was amended to write allied as well as fire lines.

Mr. Higley, who became president in 1924, built up the field force, greatly increased the range of service to agents, and streamlined speed and efficiency in handling claims. He had a remarkable gift for profitable investment. Many agents began buying Hanover stock. Mr. Higley believed so fervently in the stock that by 1924 he was its biggest single stockholder. He believed in it not as a speculation but as a producer of dividends, and it is interesting to note that because of his enthusiasm the stock was purchased widely over the country, notably in California.

Hanover was fortunate when the crash came in 1929 because its holdings were largely in liquid form awaiting investment. Its business in 1930 to 1935 increased, partly due to Mr. Higley's drive. The company did not drop an employee nor cut salaries.

In 1936 Montgomery Clark, a vice-president since 1923, was named president on Mr. Higley's death. His was a highly successful but tragically short reign. He died in 1938. The company turned to Mr. Hubbard, who had retired in 1923 but who had gone back into harness as president of Globe & Rutgers Fire. He stayed at Hanover's helm until 1944, when F. Elmer Sammons was named the current president.

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Lee AND SOUTH BALTIMORE

Stellar Card for Chicago Insurance Day

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suffers an accident. It is the agent's duty, he stressed, to convince both supervisory officials and the public that merit plans aren't being withheld from use out of selfish reasons. In treating the problem of inadequate limits Mr. O'Connell referred to a "reckless" attitude on the part of courts and juries to approve unrealistic judgments. This often has made even comparatively high third party liability limits inadequate. The agent, he admonished, has a responsibility to point out this condition and to prescribe a remedy for it if economic disaster is to be averted.

Mr. O'Connor said that during the present session of Congress, investigation and study will be made to determine what changes are necessary in the social security act. There have been recommendations by students of social security, he noted, that the present system be abandoned and replaced with a pay-as-you-go plan, financed through a flat-rate universal income tax, without exceptions. He predicted there will be a continued pressure for adoption of a compulsory sickness compensation and medical care program at the federal level. He added, however, that the public is becoming more aware that these proposals are socialistic.

Mr. Jens presented statistics showing that business interruption insurance is one of the most neglected coverages. Of the risks requiring this type of coverage, only one in 25 has it, he commented. He added that while involving considerable work for the agent, U. & O. is not any more difficult to comprehend than many other covers and offers a source of considerable added premium income.

Mr. Jens described a simple risk, showing how to convert from an income and expense statement to a gross earnings determination for business interruption purposes. After arriving at a business interruption gross earnings value he showed how, with use of the combination B.I. worksheet, to develop the probable gross earnings amount for the following 12 months.

Describing this coverage as business life insurance, Mr. Jens said that it puts the insured in the same position from the standpoint of earnings as he would be in if a loss never occurred. It assures continued operation of a business, as well as stockholders' dividends, credit, good will through continued advertising programs, and helps keep ex-

perienced employees by providing a steady income for them.

In settling a business interruption loss, the adjuster should "actually get in business with the assured," Mr. Sybrandt observed. By so doing, he explained, the adjuster is better able to determine how to get assured's business back into operation with the least amount of delay.

Stressing the importance of checking contribution clause requirements, Mr. Sybrandt said that last year in Cook County coinsurance was brought into operation in 38% of the loss adjustments, with the penalty aggregating 27%. He advised the agents to review values periodically to be certain they are adequate.

Mr. Biegler outlined surplus line business under fire, casualty, marine and miscellaneous lines. He noted that most such business stems from over capacity or "jumbo" risks. He mentioned some new coverages that have arisen in recent years such as telecasters liability and noted that in most cases Illinois insurance laws make surplus lines easily definable.

Mr. Holderman gave the procedure used in assigning risks through the Illinois assigned risk plan. The 270 companies belonging to the plan pay for its operation in direct proportion to their writings. He elaborated on those risks insurable through the plan, and reviewed the background and causes for the plan.

Following the C.P.C.U. skit, the same participants assisted by Sanford H. Lederer, Prince & Lederer; Malcolm G. Young, Zurich, and Frank Miley, W. A. Alexander & Co., formed a panel which discussed automatic coverings under broad forms, and the effective use of blanket contracts.

Recollections of Some of Hanover Fire's Leaders

(CONTINUED FROM PAGE 7)

a fire insurance company. He felt strongly, though, that Hanover should expand itself in another direction, and in 1929 organized the Fulton Fire as a running mate. The Fulton has been successful from the first and provided Hanover with additional facilities and agency connections.

Every company that reaches its hundredth milestone is able to point to one or more men who have headed it in the past that have made an unusual contribution to its upbuilding. In the case of Hanover, this did not occur until it was about 65 years old, but since passing that period Hanover has moved ahead at an accelerated pace. F. E. Sammons, who has been president of Hanover for several years, has spent his business career with the company at the home office. He is a capable administrator who has consolidated the company's gains and carried on its operations in such a way as to show steady increases in all departments.

The Present President

In fact, Mr. Sammons has been associated with the company for almost half a century, starting as an office boy. He has worked in almost every department and has moved gradually and steadily upward to the presidency. In a sense, it could be said he has digested the company's traditions and practices and is an able exponent of them.

But above all he is a person who likes and understands people, he likes to be around them and to discuss their problems. It is amazing the number of close personal friends he has in the agency ranks. He is an example of the kind of men that have come up in Hanover that gives that company its "plus." People cotton to him. With his gradual rise to prominence, he has acquired an amazingly close and understanding grasp of the functions of his own company and of the fire insurance business.

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chapter II



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Rapidly expanding stock company needs experienced fidelity and surety man as department head. Excellent future for right man. Salary open. All replies confidential. Address L-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIMS MANAGER

Large Multiple Line Casualty and Surety Company has excellent opening for experienced claims manager at Milwaukee Branch Office. Write giving experience and salary expected. Address replies to Root, Ballantine, Harlan, Bushby & Palmer, Attorneys At Law, 31 Nassau Street, New York 5, New York. They will not forward any letter showing present employment by this or related company.

SPLENDID OPPORTUNITY
for LOUISIANA FIRE
AND CASUALTY SPECIAL AGENT

State age and past experience when replying.
AMERICAN INDEMNITY COMPANY
P. O. Box 1259 Galveston, Texas

FIELDMAN WANTED

Oklahoma Opening—Multiple line Independent Stock Company operating nationally has outstanding opportunity in Oklahoma Field. It will pay you to investigate. Address K-98, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

KANSAS FIELDMEN WANTED

Fieldmen—Leading Independent Stock Company needs Fire and Casualty Fieldmen in Kansas. Excellent opportunity; attractive benefits. Inquiries will be kept confidential. Address K-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SPECIAL AGENT

Old Line Stock Casualty company desires Special Agent for Alabama. Additional state might be added later. Fire insurance knowledge desirable but not necessary. Address L-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIM MANAGER & UNDERWRITER

Wanted by fast growing midwestern accident and health company. Must be capable of handling entire claim department and have underwriting experience. In applying state previous experience and salary expected. All applications confidential. Address L-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR SALE: WISCONSIN REAL ESTATE
AND INSURANCE AGENCY

Located in a wealthy community about 20 miles from the city of Milwaukee. Insurance premiums about \$20,000 per year. Present owner retiring. Inquiries promptly answered. In business sixteen years. Address L-10, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

MINNESOTA FIELD MAN
AVAILABLE

Multiple line experience, contacts statewide, graduate, married, 32, commission or salary considered. Address L-11, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT AVAILABLE

Three years experience as safety engineer, five years casualty special. Interested in either casualty or fire connection. Michigan territory preferred. Address L-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

POSITION WANTED

As Casualty field man to work Ohio, Indiana or Kentucky. Four years casualty experience in selling, auditing, and branch office management. Single, age 33. Address L-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

NEWS OF FIELD MEN

Hear Columbus Columnist
at Ohio Field Meeting

Johnny Jones, columnist on the Columbus Dispatch, speaking at the April meeting of Ohio Fire Underwriter Assn. at Columbus, praised the fire insurance business for its contribution to fire prevention. He showed movies of a world tour taken by prize-winning newsboys of Columbus.

The Ohio Blue Goose has scheduled its annual meeting for May 12 at Columbus. Alex B. Young, Hartford Fire, grand guardian, will be the speaker.

The annual meetings of Ohio Fire Underwriters Assn. and Ohio Fire Prevention Assn. will be at Uniontown, Pa., June 17-19, with talks to be given by Paul Courtney, National Tax Equality League, and Arthur M. O'Connell, Cincinnati, president of Ohio Assn. of Insurance Agents.

St. Paul Moves Reed to Neb.;
Sherwood Takes Pa. Post

St. Paul has transferred State Agent E. A. Reed from Pittsburgh to Nebraska. He traveled that field before being assigned to eastern Michigan in 1948. He has covered the central Pennsylvania field the past two years.

Emerson R. Sherwood, who joined the St. Paul companies this month, becomes state agent for central Pennsylvania. He has been in the insurance business since 1930, and has been superintendent of the automobile division in the western department of Great American for the past five years.

Initiate 10 at Tulsa

The Tulsa puddle of Oklahoma Blue Goose held an initiation, social hour and banquet with 81 members present and Most Loyal Grand Gander Charles L. Beale of Dallas as a special guest.

Harry Singleton, most loyal gander of the Oklahoma pond, conducted the initiation of 10 candidates. At the social hour and banquet T. Ray Phillips, America Fore, Oklahoma City, past most loyal grand gander, and Mr. Beale were the feature speakers. Mrs. Beale, who accompanied her husband, was entertained by the wives of Tulsa ganders.

Plan Wis. Annual Meeting

Plans for the annual meeting of the Wisconsin Fire Underwriters Assn. June 18-19 were discussed at the quarterly meeting at Milwaukee. President Nelson C. Lane, St. Paul F. & M., appointed Eli Shupe, Home, as chairman of arrangements. The annual meeting and initiation of the Blue Goose is scheduled for the evening of June 17. A memorial was adopted for the late John N. Bushingham, Globe & Rutgers. The W. U. A. film, "Introducing the Policymen," was shown.

Dubuque Names Two

Roger A. Lang, eastern Iowa and northern Illinois state agent of Dubuque F. & M., has been transferred and appointed state agent for Michigan and northwestern Illinois with headquarters at Chicago.

Ralph J. Pate, who has been with the company for 27 years, most recently as examiner at the home office, was named to replace Mr. Lang in eastern Iowa.

Anderson Pine Tree Chief

Pine Tree Field Club of Maine has elected A. Wendell Anderson, Royal-Liverpool, president, to succeed George F. McFarland, Fire Association.

Ellis Perrigo, New Hampshire Fire, was renamed vice-president. G. T. Sturtevant, Employers Liability, is treasurer, and Roswell P. Averill, Aetna Fire, secretary.

Reich to N. E. for Industrial

Industrial has appointed Arthur Reich state agent for Connecticut, Vermont, Rhode Island, New Hampshire and Maine. He makes his headquarters at 103 Park avenue, New York. For some time Mr. Reich has been operating as a special agent for Industrial in New Jersey.

May Form N. H. Pond

An effort is being made to launch a Blue Goose pond in New Hampshire. It is being promoted by a number of New Hampshire men who were Blue Goose members when they were in other states. Lloyd E. Greer, executive secretary of New Hampshire Assn. of Insurance Agents, is lending a hand in

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this. Other leaders are John Bracken of General Adjustment Bureau and Charles Coffeen of New Hampshire Fire.

Plan N. J. Session on U. & O.

New Jersey Special Agents Assn. will sponsor a business interruption and time element session at Newark Oct. 21. It will cover sales and adjustment features, with well-qualified speakers.

Ogren to Local Field

W. H. Ogren, special agent in Kansas for American, is resigning to operate the insurance department in the Ed. F. Reilly agency at Leavenworth, Kan.

Seawell to Irby & Co.

H. R. Seawell, Jr., who has been in the Alabama field for National Fire, has joined the A. F. Irby & Co. general agency of Atlanta as state agent for Alabama.

The Austin puddle of Alamo Blue Goose had Paul H. Brown, fire insurance commissioner, as guest. Plans for a dinner for members and the ladies were discussed and an invitation was extended to all members of the Alamo pond.

Missouri Fire Prevention Assn. will inspect Bethany April 23.

NEW YORK

Ash Succeeds Charlton at New York for Glens Falls

The Glens Falls group has appointed Wayne T. Ash as manager of the claims and loss department at New York, replacing Francis H. Charlton.

Mr. Ash started with the Philadelphia claims department of Glens Falls Indemnity in 1935. Three years later he was also given production duties and in 1941 was named claims manager there. He served four years in the navy.

Mr. Charlton asked for early retirement under the companies' pension plan. He went with Glens Falls Indemnity 22 years ago as superintendent of the claims department at New York. He was later appointed assistant manager of the New York office, in charge of the claims and loss department.

EGBERT SOCIETY PRESIDENT

Lester D. Egbert, president of Brown, Crosby & Co., has been elected president of Insurance Society of New York to fill the unexpired term of the late Richard V. Goodwin who was vice-president of Fireman's Fund Indemnity.

Mr. Egbert, a director of the society since 1948, has been senior vice-president. He is a past president of Insurance Brokers Assn. of New York.

AUTO MEN ELECT

The Automobile Claims Assn. of New York City has elected James Sherwood of London Assurance president, C. J. Ryan of Great American vice-president, C. E. Gundersen of Home treasurer, and Howard Kochendorfer, of Atlantic Mutual secretary.

JAFFE FORUM

Rents, leasehold and extra expense will be the topics for discussion at the Jaffe agency forum to be held April 28 in Brooklyn. Members of the panel will be Charles F. Manzell, fire department manager of the agency, who will talk on coverages; David C. White, metropolitan manager of the Caledonian group, on sales; and George S. Christie, adjuster, on loss adjustment problems.

OLDTIMERS' FETE

Arrangements have been completed for the Reins Club oldtimers' dinner April 30, at 129 Maiden Lane. John Ross, Excess Underwriters, president of the organization, is in charge. Effort is

being made to secure the attendance of founders of the organization and former members who have now retired or are in other fields.

HEAR MULTIPLE PERIL TALK

Roy C. McCullough, manager of Multiple Peril Insurance Rating Organization, spoke on that topic at a Board of Trade luncheon at New York.

CHICAGO

TO HEAR SEMINAR REPORT

Mid-West Insurance Buyers Assn. this week at Chicago will hear a report by George T. Heinrich and Henry K. Lane on the American Management Assn. seminar covering "Administering an Insurance Department." This was originally scheduled for the March meeting and had to be postponed at the last moment.

GAGE, NORTMAN TO MILLER & CO.

W. C. Gage and Roy Nortman have joined Miller & Co., Chicago adjustment firm. Mr. Gage has considerable experience in industrial engineering, research and investigation work, as well as in criminal investigation. Mr. Nortman, who will specialize in fire service, has a long background of company adjusting experience.

High Starts 10 Weeks Tour

E. F. High of Columbus, O., president of National Assn. of Mutual Insurance Agents, will address 11 state associations in 10 weeks. His tour started last week with the Alabama-Florida-Georgia-Tennessee association at Atlanta. This week's schedule included the Iowa meeting at Des Moines and the Ohio association meeting at Dayton. Others to be visited are Mississippi April 20-22 at Edgewater Park, New York April 21-22 at Syracuse, Virginia-District of Columbia April 27-29, New Jersey at Trenton May 2, Nebraska May 5-6, Missouri at Jefferson City June 12-13, and North Carolina, Blowing Rock, June 13-14.

New La. P.H.D. Insurer

Delta Fire & Casualty of Baton Rouge is a new company that has been organized to write automobile physical damage insurance. David W. Thomas, the president, is also head of the Thomas insurance agency of Baton Rouge. The capital is \$100,000, and net surplus \$30,000.

Myron A. Snell, supervising engineer of Hartford Accident, was a speaker at the annual meeting of the New England section of American Industrial Hygiene Assn. at Boston.



Trio from meeting of Conference of Mutual Casualty Companies at White Sulphur Springs: John F. Hynes, president of Employers Mutual Casualty and president of the association; L. J. Bennett, vice-president and manager of American Farmers Mutual of Decatur, Ill., and Harold S. Evans, president of Allied Mutual Casualty of Des Moines.

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EDITORIAL COMMENT

Auto Commission Reduction

Obviously the prime objective of the day is to get into effect higher rates for automobile liability (plus workmen's compensation and other lines that are losing money). The business cannot continue to write these lines at all at the losses it has been absorbing. Once that is done, the casualty business can turn its attention to some of the suggestions like merit rating that have been voiced and to which the business has listened with remarkable patience and attention.

However, tied in closely with the rating problem is the question of agents' commissions on automobile B.I. and P.D.L. This has been discussed pro and con for months, even among agents. Some agents say there should be a lower percentage of commission; some company people have at least asked the question. What is perhaps more significant, some insurance departments act as though they would like to say "yes," the commissions should be reduced.

It is doubtful if they will be. There might be some adjustment if all of the elements in the automobile insurance package, including physical damage, were brought under one wrapping and the same percentage of commission applied to all.

Otherwise, who is going to make the effective move, if anybody, to reduce such commissions? Not the agents. It is unrealistic to believe they would move in the unanimity which would be required for effectiveness.

Companies are not apt to attempt it because on commissions to agents they are never talking about the automobile B.I.-P.D.L. line alone, or just the W.C. line, but about a bunch of fire premiums also, very desirable now; inland marine, bonds, etc. Fire companies are vigorously competing for fire and allied lines and casualty companies are eagerly in competition for certain of their lines. Consequently, any discussion of commissions involves the whole production package.

Companies are leary of tinkering with the commission scale in view of the sad experience of many of them when they attempted to reduce commissions in expected cities on fire business a few years ago. A few companies did themselves some real harm.

It is just possible that a commissioner will make the move, though this seems unlikely in view of the fact that much of whatever political riches the commissioner has to offer his administra-

tion in the state comes from local agents. No commissioner wants to toss that out of the window. At one time or another commissioners here or there have shown a willingness to tackle almost anything—except commissions.

The most logical argument put forward about commissions on automobile business is that the percentage produces too high a dollar commission in view of the large premiums the automobile line develops today. These percentages were logical when the automobile physical damage cover cost \$10 and the B.I.-P.D.L. \$18, but not when the combination costs from \$100 to \$400. This is especially so because in most states laws come close to compelling automobile owners to insure. Thus there is not the sales work there used to be. In view of the rising public relations pressures developed by increased rates and wider spread coverage, would agents not better their position by making a contribution to easing the problem?

Is there any increase in the service they render commensurate with the increase that has taken place in automobile premiums by way of upped rates? Should agents get more and more dollars as companies reach, and reach again, for enough to pay loss costs?

These are not minor arguments, but to lower commissions or not to lower them is not an easy question to answer. If agents' incomes have risen with the increase in values and the rise in premiums, their costs have gone up and there has been no specific allowance for that increase. The companies (and commissioners) have not concerned themselves with this problem.

It is true that the agent has no ceiling on his income as premiums swell, but neither has he a floor in case they diminish. Some agents have lost their underwriting facilities, as a result of poor experience in automobile, W.C., etc., and have to make substantial adjustments in order to survive. It is not altogether so that the F.R. laws do all the selling that is necessary—they don't automatically drive automobile owners through agency doors to buy coverage.

If the commission at the present high automobile B.I.-P.D.L. rate level is reduced, will it be increased as and when the rates go down? (Everyone seems to be proceeding on the assumption that present conditions will obtain permanently, but even now there are signs that the general economy is undergoing some deflationary adjustments.) It is

doubtful if those concerned about commissions being reduced today will be as concerned about agency earnings when rates go down. In fact, what is being thought of is a permanent reduction.

If the agent gets more as a line worsens, so does the company on its percentage. Should companies contribute something from their percentage of the premium dollar, if agents do? Can they? Their share is smaller than the agent's, excluding loss costs. For that matter, what about the states contributing something from their two odd percent?

If agents are to be cut on the big risks, won't they have to be increased on the small ones?

It is argued that the customer doesn't get more for the greater amount he spends for automobile cover. But doesn't he, even with the same policy and same limits? His chances of needing it are greater today than 10 years ago, which adds to its value as risk transference.

Also, agents actually are doing more on the auto line. They are having to "manage" it by holding down volume; they must find new companies to take business—or lose some of it.

The alert agent is increasing limits, putting on medical payments or increasing them, underwriting his business more closely, explaining to insured why rate increases are needed. Some agents even service those risks that must go to assignment plans—and all should be performing this public service.

Wouldn't a reduction in commissions, if it is large enough to mean anything at all, bring them down to about what mutuals pay their agents?

Suppose the automobile B.I.-P.D.L.

commission were to be cut. Assume that it is 25% now, which it is not in all cases by any means. On a \$60 B.I.-P.D.L. premium, the agent's commission is \$15. If the commission were reduced to 15% across the board, the agent would get \$9, pretty close to the cost of handling a policy, with very little left over for profit. The customer would save \$6, and would pay \$54 instead of \$60.

On a \$200 premium, the 25% agent today gets \$50. Reduced to 15%, this would cut the agent's share to \$30, and would reduce insured's premium to \$180. The agent gives up percentage five four times as much as insured, and frankly it looks like a lot more of a loss to him than it is apt to look like a saving to insured.

Perhaps there is some breaking point, like a \$100 premium, where the commission could be reduced. It is doubtful if it could be reduced as much as 10 points. As a practical matter, 5 points would be more like it.

If the auto commission were to be cut, how should it be done? By cutting 5 points for each \$50 of premium, for all premiums above a certain amount, say \$100 for the combined B.I.-P.D.L. If the cut were applied across the board, would it be necessary to establish a combination of fee plus commission, to cover the small premium risk? After 10 years of inflation, isn't the definition of "small" premium out of date? Wouldn't 25% of an \$18 premium, \$4.50, or of \$28 (the entire auto insurance package), \$7 today be less than enough to pay agency handling costs?

How many B.I.-P.D.L. premiums are more than \$100? Most of them are still under \$100. Isn't this then a special problem for the metropolitan centers?

PERSONAL SIDE OF THE BUSINESS

Lawrence W. King, vice-president in charge of fire business for the St. Paul Fire & Marine, has retired after 33 years with the company. He was secretary for many years and was advanced to vice-president early in 1950. His first insurance connection was with Fire Underwriters Inspection Bureau and later he was rate supervisor for the Minnesota



L. W. King

department.

Earl Cady, local agent and broker of Santa Cruz, Calif., believes a hobby saved his health and put him back in the insurance business after three years of inactivity. Mr. Cady, who at 62 maintains an active insurance practice, collects pens and pencils as a hobby. His collection,

valued at \$50,000 and numbering 4,000 items, is one of the largest and most complete in the country. Shortly after moving to Santa Cruz from Bakersfield a few years ago to recover from the effects of a heart attack and retire, Mr. Cady received a pen repair kit from a stationer going out of business. That caused him to begin his pen collecting in earnest. The hobby proved a boon to his health and in three years he resumed selling insurance. Now it proves an aid in selling all kinds of insurance. It gives him a common bond with many prospects who have knowledge of pens or are hobbyists in other lines.

He could use a different pen every day for the next 10 years without using a single one twice. The collection ranges from historic instruments like the early eyedropper-filling pens and the first lever fillers invented by the late W. A. Sheaffer to pencil-thin 1952 models.

Joseph I. Johnson, assistant Chicago manager of Aetna Casualty, and Mrs.

Howard J. Burridge, President. Louis H. Martin, Vice-Pres. & Secretary. John Z. Herschede, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3954. F. W. Bland, Pacific Coast Manager.

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DEATHS

Johnson are on a Florida vacation. They had an opportunity to visit their oldest son, Kent Johnson, who is completing naval air photographic training at Jacksonville.

Kenneth J. Hoag, state agent of Fireman's Fund, a former president of Fire Prevention Assn. of Ohio, has been appointed civil defense director for Columbus and Franklin county. He has been chairman of the citizens fire safety committee there.

Donald C. Pitblado, examiner in the reinsurance department of Aetna Fire, was honored on his 40th anniversary with the group.

Max Jones, Missouri state agent of Fireman's Fund, has returned from a three weeks' Florida vacation.

W. S. Byler, retired Michigan state agent of Fireman's Fund, has returned to Battle Creek after a month's motor trip through Texas. He spent several days with **John W. Olson**, former agency superintendent, on a trip into Mexico. Mr. Olson spends the winters at Brownsville, Tex., near which he has extensive interests in citrus groves.

Victor G. Henry of Kessler-Henry agency, Wichita, and former Kansas president and state national director and chairman of the farm committee of N.A.I.A., is recuperating satisfactorily from a heart attack in the Ax-tell hospital at Newton, Kan., where his son V. G. Henry, Jr., is on the medical staff. Mr. Henry is able to sit up for a few hours each day and hopes to be able to return to Wichita later in the month but it will be some time before he is back in circulation.

George W. Carter, president Detroit Insurance Agency and long-time chairman of the conference committee of Michigan Assn. of Insurance Agents, is spending a month at White Sulphur Springs. Due to an arduous schedule in recent months, he has been suffering from fatigue and was unable to make his usual report to the Midwest Territorial Conference at Milwaukee.

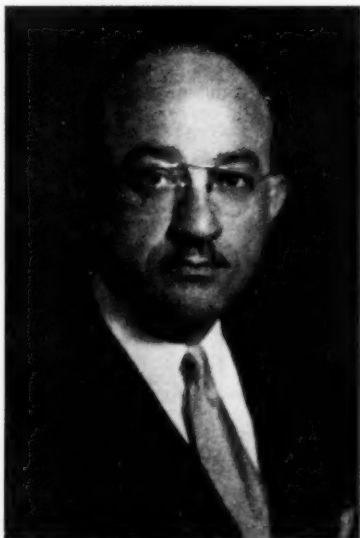
R. W. Snyder, head of Snyder Brothers general agency, Louisville, is in London on business, and will go from there to France, where he expects to spend two or three weeks. He was accompanied by Mrs. Snyder.

Lewis Tachau, an officer of Louisville Fire & Marine, and partner in the E. S. Tachau & Sons agency at Louisville, who suffered a stroke on a plane between Louisville and the east about five weeks ago, has returned home from the hospital. However, one side was paralyzed and it will be a long time before he will be up and around.

Hike Appleton School Line

The board of vocational and adult education at Appleton, Wis., has authorized an increase of \$266,000 in insurance on the vocational school buildings and contents, bringing the total to \$598,000. The present insurance program is shared by 12 Appleton local agencies.

EDWIN B. ACKERMAN, who was a former president of Preferred Accident, died at his home at Summit, N. J.



E. B. ACKERMAN

His father had been president of Preferred in the earlier years and E. B. Ackerman joined the company in 1927 as assistant treasurer. He was the president when Floyd N. Dull was selected to succeed him in an attempt to rescue the Preferred.

CYRUS C. WASHBURN, for many years resident vice-president of Preferred Accident on the Pacific Coast with headquarters at San Francisco, died at Banning, Cal., where he had retired because of ill health. He was one of the best known and most picturesque insurance men on the Pacific Coast and was very prominent in insurance organizations, particularly in the A. & H. field.

He started with Travelers at the home office in 1907 and was with that company until 1926, later serving as New Haven manager of Globe Indemnity and Connecticut manager of Standard Accident before joining Preferred in 1930. He traveled the entire country as field supervisor before going to San Francisco to take charge of the Pacific Coast in 1938. He served as president of A. & H. Managers Club of San Francisco and was for several years on the



C. C. Washburn

executive board of National Assn. of A. & H. Underwriters.

CECIL SIMPSON, 47, Los Angeles manager for Deans & Homer, general agents, died suddenly at his home there. He had been in his office the day before,

with no indication of any impairment in his health.

WILLIAM ROBINS, 86, former superintendent of agencies of Great American for eastern Canada and New-
(CONTINUED ON PAGE 34)

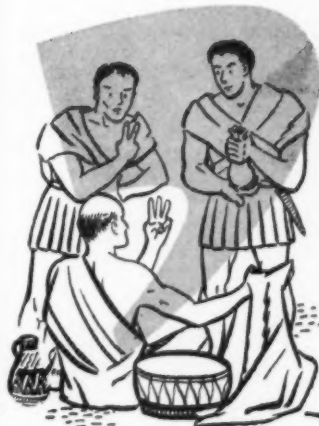
FASCINATING

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FACTS...

the First Coin

FROM LYDIA, an ancient city of West Asia Minor, comes the earliest known example of a coin. The coin dates back to 700 B. C., during the Heraclidae dynasty of Lydian rulers.

IN AMERICA, coins were first issued by the Massachusetts Bay colony in the year 1652. More than 100 years later, 1792, the United States Mint was established in Philadelphia.



Currency values are determined by the soundness of the issuing countries. In a sense, the same is true of insurance. The Saint Paul Companies can offer your assured sound protection, the fruits of years of underwriting experience.

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Ohio W.C. Monopoly Assailed at Big Cleveland Rally

Taxpayers Stand Cost: Safety Efforts Slighted Speakers Assert

Some 450 attended the insurance forum on state monopolistic insurance at Cleveland that was sponsored by Cleveland Board and a dozen other insurance organizations in the vicinity. There is being mounted in Ohio a serious attempt on the part of insurance forces to knock out the state monopoly in workmen's compensation insurance. Hugh K. Dawson, president of Insurance Board of Cleveland, presided at the luncheon gathering and the speaker was Arthur M. O'Connell of Cincinnati, president of Ohio Assn. of Insurance Agents, on "State Socialism and Compulsory Insurance."

At the afternoon session the presiding officer was E. B. Berkeley, president of Cleveland Insurance Agency, and the speakers were J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies; Paul H. Schindler, vice-president insurance section American Management Assn., and insurance manager of Youngstown Sheet & Tube on "Monopolistic Insurance From Buyers Viewpoint," and Theodore M. Gray, executive secretary of Ohio Assn. of Insurance Agents, on "Grass Roots Approach on Compulsory Insurance."

All Parties Are Losers

Mr. Dorsett contended that the stimulus of competition is necessary in the field of workmen's compensation just as it is in all other business pursuits. In Ohio, industry, labor and the public are the losers under a law by which the writing of workmen's compensation insurance is confined to a single state agency.

He commended the Ohio legislature for taking action to create a committee to investigate the Ohio law and its administration. This is a step away from the handicaps and limitations of monopoly, he declared.

Mr. Dorsett contended in the reduction of industrial accidents, the competitive feature is important. In 1947, which was the last year for which figures were available, the industrial death rate in Ohio was 13.5 per 100,000 workers. This was 13% higher than the national rate. It was 100% above the rates in New York and Illinois. Then on the score of promptness in payment of claims there is an average lag of 49 days in Ohio between date of an injury and date of first payment in simple uncontested claims. There is no state where insurance companies write the business that has this kind of delay.

There is competition to pay claims promptly. Some industrial commissioners publish the promptness records of all insurers. In Wisconsin the average time lag is 11 days. The delay in Ohio, he said, is due to an unwieldy inflexible system "which has developed a cumbersome complicated labyrinth of triplicated forms and duplicated duties, and where the stimulus of competitive enterprise has long been lacking." As to contested claims, he said that in Indiana where there is no state fund, only 16 cases were appealed to the appellate court during 1948. In Virginia during 1949 and 1950, there were 13 appeals. But in Ohio 1,600 re-hearings have been

Agenda Ready for Zone 4 Meeting

The complete agenda has been prepared for the meeting of zone 4 commissioners at Detroit, April 28-29.

Following the welcoming remarks of Commissioner Navarre of Michigan, the Monday morning program will open with the presentation of the report of the zone fire and inland marine rate supervisors. After lunch there will be a discussion on agents and brokers licensing problems led by Commissioner Nelson of Minnesota and W. O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents. Also that afternoon there will be the presentation and discussion of the report of the A. & H. supervisors and the chief examiners, actuaries and deputies report.

There will be a reception and banquet at which the speaker will be Dr. Alfred P. Haake.

On the second morning Samuel B. Orebaugh, Iowa deputy commissioner, will discuss department's responsibility as to certain forms of television servicing contracts and other similar contracts. Then there will be the report of the casualty rate supervisors followed by a forum on merit rating plans for automobile insurance at which the industry's viewpoint will be given by S. Alexander Bell, Midwest Independent Statistical Service, and the department's viewpoint by Director Day of Illinois. That afternoon the commissioners will adjourn to executive session.

William E. Otto, president of Michigan Mutual Liability, has been elected a director of Michigan Manufacturers Assn.

the average number every year since 1929.

Mr. Dorsett said that there may be a mistaken theory that compensation benefits would be less liberal under a competitive system. This, of course, he said, is without foundation since it is the legislature that fixes the benefits. Presently Ohio is just about in the middle so far as benefit levels are concerned. On the score of rates in the 41 states where the casualty companies write compensation, rates decreased 24.2% between 1939 and 1950, even taking into account changes in the laws which have very substantially increased the benefits, and included in these reduced rates is a broad program of claims investigation, payroll auditing, fraud prevention, safety engineering services. Under state fund monopoly these services must often be paid for as extras. On the score of tax receipts, he said, in the 41 states insurers pay state and local tax authorities upward of \$20 million, but Ohio is saddled with the expense of running a large insurance organization. The cost is paid by Ohio taxpayers. These costs amount to more than \$2 million a year and they are still insufficient fully to administer this program.

A half century of workmen's compensation experience demonstrates that under regulated competition industrial plants have been made safer, injured workers have been paid more promptly and with less controversy, abuses have been minimized and plant efficiency, production and morale have been substantially improved. "It is the same principle that has built America."

Gray Cites Death Rate

Mr. Gray in his talk emphasized that the death rate in Ohio from industrial causes is 2½ times that of comparable industrial states. The incentive of private insurance companies has produced safety engineering that has saved the lives of workmen in competitive states, he continued. Even in those states where there is a competitive state fund, the safety engineering of the private in-

5-Year Reinsurance Loss Ratio on Five Misery Lines 76½

J. P. Gibson, Jr., general manager of American Mutual Reinsurance, in addressing the meeting of Conference of Mutual Casualty Companies at White Sulphur Springs, said that the professional reinsurance companies in the period 1946-50 took in some \$200 million on the five misery lines of auto B.I. and P.D.L. and general B.I. and P.D.L. and workmen's compensation. On this the loss ratio was about 76½.

Professional reinsurers, he declared, cannot live on that kind of a diet. However, he said that American Mutual Reinsurance through its unusual setup can manage to get by even on such a sour loss experience. The professional reinsurers can't turn around in such a narrow space because they have to pay anywhere from 10 to 25% to London for retrocessions over and above their usual expenses.

American Mutual Reinsurance entered the casualty field on Jan. 1 of this year. It can provide catastrophe cover up to a maximum of \$2½ million and Mr. Gibson emphasized this is an absolutely new market in this respect.

F. Harold Schutte, formerly with National Insurance Corp. of San Francisco and before that with Fidelity & Casualty at New York and San Francisco, has become an associate in the Watson Surplus Line Agency at San Francisco. His long career in surplus lines and reinsurance was interrupted by 2½ years' service in the army.

surers attracts more than 80% of the business.

Legislation giving the insurers an opportunity to compete with the state, would prevent suffering and would challenge the state fund to meet its responsibilities in safety engineering. Accident prevention doesn't get its fair share of attention under state monopoly. Prevention of accidents is relegated to a minor place.

Mr. Schindler, in his address, said:

"I am in favor of insurance and we spend a lot of money each year to protect our properties and our assets from fire and accident and I am not any more in favor of large corporations competing with the insurance companies by self-insuring their risk, than I am of insurance companies buying steel companies and competing with us, provided, however, the insurance companies will do as good a job for us as we do for ourselves. . . .

"We spend a lot of money and many man hours to see that our employees don't get hurt, but if they do, then we want to see that our legal and moral responsibility toward recompensing him for his injury is fulfilled, whether that responsibility is of a monopolistic state fund, a private carrier, or self-administered."

36-Man Ohio Probe

The investigation of the Ohio industrial commission and all phases of the workmen's compensation act is to be handled by a 36-member committee. Senator Walcutt, chairman of the Ohio program commission, in making the announcement said there has been complaint about the practices of the industrial commission for several years and the legislature passed a bill to set up an independent commission to make an investigation. That bill was later vetoed by Gov. Lausche but the legislature subsequently by resolution directed the Ohio program commission to make the investigation. Chairman of the investigating committee is Oliver C. Schoeder, Jr. of Western Reserve University law school at Cleveland.

Revision of Glass Manual Increases Rates in 11 States

Permits Five-Year Cover Under Residence Endorsement to Fire Policy

A countrywide revision of the glass insurance manual is announced by National Bureau of Casualty Underwriters effective April 14 except in Louisiana. In Texas the effective date is May 14.

Adverse experience and increases in replacement costs increased the rates in 11 states: Connecticut, Delaware, Idaho, Indiana, Maine, New York, North Dakota, Oregon, Vermont, Washington and Wyoming.

The outstanding manual rule change is the amendment of the "policy period—term premium" rule to permit the attachment of a residence glass endorsement to a fire policy covering a dwelling or the contents of a dwelling for a term of not more than five years in lieu of three years. The five-year premium is 4¼ times the annual premium if paid in advance or it may be paid in equal annual installments, in which event the five-year premium shall be five times the annual premium.

Complications Reduced

This amendment reduces the complications which would arise if this endorsement could not be written for the same term as the fire policy to which it is attached. This amendment is, of course, not applicable in those states and territories which will not permit the attachment of this endorsement to a fire policy: Arizona, Hawaii, Indiana, Mississippi, North Carolina, Pennsylvania and Virginia.

Several states, while permitting the attachment of this endorsement to a fire policy, did not approve this amendment because the basis of determining the term payments is in accordance with the casualty practice, which is at variance with that used by the fire companies. In these states the three-year term rule continues to be applicable: Minnesota, New Jersey and Wisconsin.

The manual includes for the first time a residence glass endorsement which has been specifically prepared for use with a fire policy covering a dwelling or the contents of a dwelling. It is similar to the present endorsement, except that (a) the introductory language has been amended editorially to conform with the requirements in fire insurance and (b) the cancellation condition and the other provisions of the policy applicable after loss occurs are that of the fire policy instead of the comprehensive glass policy.

The new rates will raise the overall statewide rate level in New York approximately 17.3%.

Fla. W.C. Rates Up 10.5%

A 10.5% increase in workmen's compensation insurance rates has been approved by Commissioner Larson. Effective May 1, the increase will boost annual premiums by an estimated \$1,250,000. A proposal for a \$10 added service charge on all workmen's policies with premiums of less than \$500 was turned down.

Two workmen's compensation rate increases were approved in 1951, one for 15% and the other 5.6%.

N. J. Unsatisfied Judgment Fund Law Is Studied

Many Refinements Are Contained in Important Auto Legislation

The unsatisfied claim and judgment fund as contained in the New Jersey measure that recently passed is interesting in several respects.

Each person registering an uninsured motor vehicle for the period commencing April 1, 1954, will be required to pay a fee of \$3 to the fund, above the present registration fee. Persons registering insured motor vehicles would be required to pay \$1. Each insurer writing automobile liability insurance in

the state will be required to pay 1/2 of 1% of its direct premiums. The state treasurer would then calculate the probable amount needed to carry out provisions of the act for the ensuing registration license year, and these figures would be the maximum that could be assessed in any year.

The bill would set up an unsatisfied claim and judgment fund board composed of the state treasurer and four insurer representatives. Beginning April 1, 1955, a person who suffers injury or damage arising out of ownership, maintenance or use of a motor vehicle and whose damages may be satisfied in whole or in part from the fund, will be required 30 days after the accident to give notice to the board of his intention to make a claim.

The notice would be accompanied by specified information. The board then would be required to assign to insurers for investigation and defense all default actions and hit and run cases. It would be authorized to assign to insurers other claims it deems advisable, to investigate or defend. These assignments would be made in proportion to premium writings.

Payments on valid judgments would be for amounts in excess of \$100, and application for payment from the fund

would be on limits of 5/10/1.

On application for such payment, the applicant would be required to show, among other things, that he is not covered by workmen's compensation, is not the spouse, parent or child of the judgment debtor, was not a guest occupant of the motor vehicle owned by the judgment debtor, was not at the time of the accident operating an uninsured motor vehicle owned by him or his spouse, parent or child, that the judgment debtor was not insured, that the applicant has taken all possible steps to collect the judgment but has not been able to collect in full.

There are also provisions for settlement of actions in certain cases with consent of the board and of the court. Settlements involving payments of less than \$1,000 would be permitted without court approval on recommendation of the assigned insurer and with the approval of the treasurer and one other member of the board. If the license of a person has been suspended or cancelled and the treasurer has paid from the fund any amount in settlement of a claim or in satisfaction of a judgment against such person, the suspension shall not be removed until the person has repaid in full to the treasurer the amount paid, with interest.

The U.J.F. principle was first introduced in Canadian provinces. The only other state in which there is such a law is North Dakota.

Allstate Wins Ill. Tax Decision

Circuit Judge Crow of Sangamon county court at Springfield, Ill., gave a decision for Allstate Tuesday, holding that it is not liable for payment of the state fire marshal tax of 1/2 of 1% on its motor vehicle fire premiums. The demand had been made by the insurance department for such tax for the year 1950.

The tax in question is levied on certain premiums of "fire insurance companies" including motor vehicle fire premiums. The issue as to the fire premiums of casualty companies being taxed did not come to the surface until this new day of multiple line underwriting. The other casualty companies have been paying this tax under protest, or else paying it without argument.

The decision may not be so broad as to nullify the fire marshal tax for casualty companies in general, because there were findings that Allstate does not write fire insurance as such, and that the incidental fire coverage in comprehensive and combined risk automobile policies is not fire insurance. It may be that the decision could only apply to companies situated exactly as Allstate.

Program Given for K. C. Casualty Rally May 14

The program has now been completed for the casualty and fidelity sales congress at Kansas City, May 14, under the auspices of Casualty & Surety Underwriters Assn. of that place. R. A. Braddock of R. B. Jones & Sons, president of the association, will call the meeting together in the morning. There will be morning and afternoon sessions and a luncheon with a speaker for that event yet to be announced. The general chairman is W. R. Evans, Kansas manager for American Surety.

George F. Ainslie, vice-president of American Surety, will lead off with a discussion on dishonesty insurance, and Richard A. Hubbard, vice-president of Central Surety, will conduct a panel discussion on the subject. Then there will be an agents' round table with Morton T. Jones, president of Kansas City F. & M., as moderator. The panel members will be H. F. Warner of Kansas City, Kenneth A. Ross of Arkansas City, Kan., vice-chairman of Midwest Territorial Conference, Joseph A. Leslie of Sikeston, Mo., and Joseph J. McGee of Kansas City. The afternoon speakers will be Ferd M. Cook, assistant vice-president of American Automobile on automobile insurance, and a forum on that subject conducted by Gordon Kellner of Aetna Casualty, and finally, Levering Cartwright of THE NATIONAL UNDERWRITER.

Link Lincoln and Kefauver

Rep. Hays, Ohio campaign manager for Senator Kefauver, says he asked Murray Lincoln, president of the Ohio Farm Bureau insurers to be listed as second choice for president on state ballots. However, Lincoln declined. Hays said he did not necessarily mean that Lincoln was being encouraged to run for vice-president on the Kefauver ticket, but that Ohio law requires voters to select delegates with listings as to their first and second choices for the presidency.

However, he added: "If the Democratic convention should decide to pick Mr. Lincoln for the vice-presidency, I would like it, and I'm sure that whatever the convention does would suit Senator Kefauver."

Limit Air Shelter Liability

Gov. Driscoll of New Jersey has signed a measure limiting the liability of store owners or others who provide air raid shelters in civil suits arising from injuries and deaths occurring in the shelters.

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Support Voluntary Medical Plans, A.M.A. Head Urges

"The prepayment system for medical care is here to stay; the only question is whether it should be voluntary or compulsory," Dr. Louis H. Bauer, president of American Medical Association, told Tennessee Medical Assn. at Knoxville. He advised medical practitioners to "give 100% cooperation to voluntary health programs or a compulsory plan may be forced upon us."

Ready Card for Midwest Statistical Meet May 22

The program for the annual meeting of Midwestern Independent Statistical Service at Chicago, May 22, has been completed.

The welcoming remarks will be given by Edward J. Dirksen, Illinois assistant director. Reports will be given by the president, treasurer and manager, and the first formal talk will be that of F. W. Duboc, vice-president of Western Casualty of Fort Scott, Kan. After lunch, there will be addresses by Russell H. Matthias of the Chicago law firm of Meyers & Matthias on "Legal Developments in Insurance Rate Regulatory Legislation," S. Alexander Bell, manager of M.I.S.S., on "Statistical and Judgment Factors in Automobile Rate Making," and C. E. Wilcox, vice-president of American States, on "Integration of Statistics and Accounting." Then there will be an open forum for discussion of company statistical problems with Mr. Bell presiding. The meeting will close with a cocktail party and dinner.

Becker's Blue Cross Status

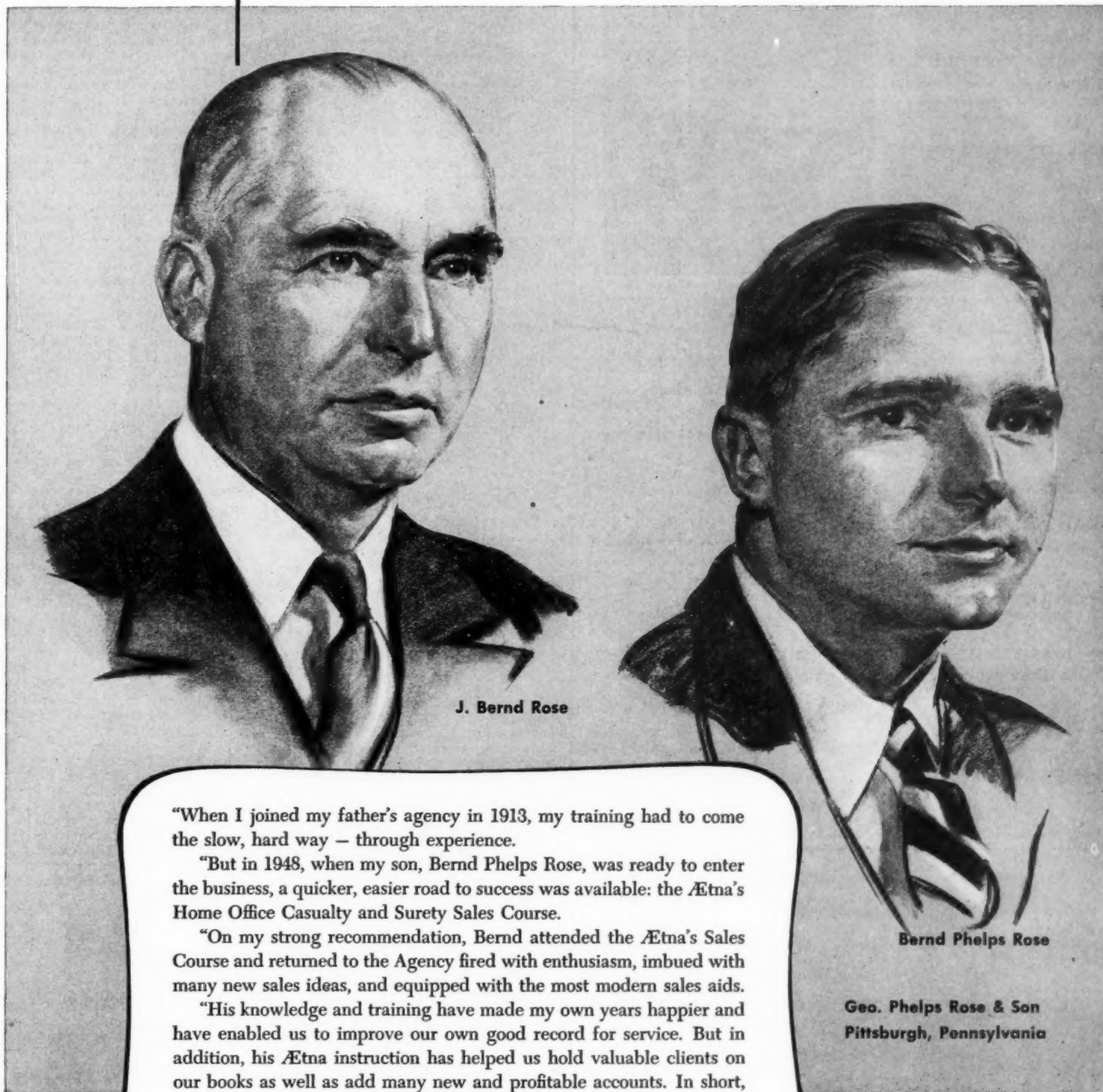
In the Feb. 21 issue of THE NATIONAL UNDERWRITER Harry Becker, assistant director of the commission on financing hospital care, was characterized as being on the national board of Blue Cross and Blue Shield. Mr. Becker should have been described as on the board of Blue Cross and Blue Shield in Michigan.

Antoine Pittsburgh Speaker

Louis H. Antoine, assistant vice-president of American Automobile and president of Greater St. Louis Safety Council, and chairman of Missouri Automobile Assigned Risk Plan, is giving a talk "The Cheapest Loss to Settle is the One That Never Occurs" April 21 at a luncheon meeting of Insurance Club of Pittsburgh.

Aetna Profiles

J. Bernd Rose and son, Bernd Phelps Rose — second and third generation of the Pittsburgh insurance family which pioneered Automobile insurance in that city. Each served in a World War . . . each attended Princeton University . . . upon graduation, each joined his father in the Geo. Phelps Rose & Son agency. Together, they form one of Pittsburgh's most successful insurance selling teams . . . adding new luster to a family tradition which started in 1905.



J. Bernd Rose

Bernd Phelps Rose

Geo. Phelps Rose & Son
Pittsburgh, Pennsylvania

"When I joined my father's agency in 1913, my training had to come the slow, hard way — through experience.

"But in 1948, when my son, Bernd Phelps Rose, was ready to enter the business, a quicker, easier road to success was available: the Aetna's Home Office Casualty and Surety Sales Course.

"On my strong recommendation, Bernd attended the Aetna's Sales Course and returned to the Agency fired with enthusiasm, imbued with many new sales ideas, and equipped with the most modern sales aids.

"His knowledge and training have made my own years happier and have enabled us to improve our own good record for service. But in addition, his Aetna instruction has helped us hold valuable clients on our books as well as add many new and profitable accounts. In short, we are prospering as never before."

J. Bernd Rose

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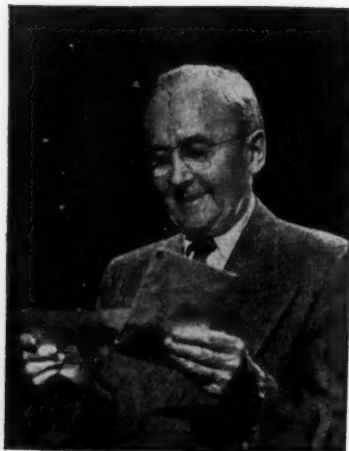
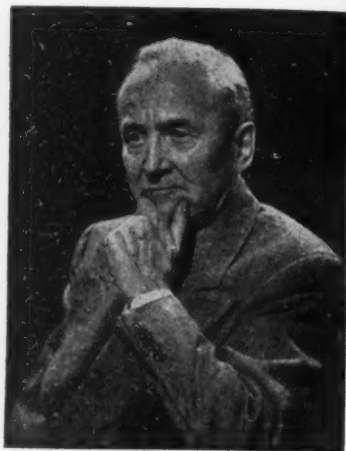


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Wants Revamping of Auto Policy, Loss Award System

An entirely new system for awarding judgments, to be created by legislative enactment, and a revamping of the automobile liability policy were proposed by William D. Sharpe, insurance manager of Meier & Frank Co., Portland, Ore., at the casualty seminar at the University of Washington, sponsored by Casualty Insurance Assn. of Washington and the university's insurance department. Mr. Sharpe asserted that drastic action is necessary in the automobile line in order to curb skyrocketing judgments.

Under Mr. Sharpe's proposal, the 5/10 and higher limits basis of writing auto liability covers would be replaced by a provision incorporating the workmen's compensation scale under respective state laws and including a scale of payments for specific injuries as in the case of a personal accident policy. In addition, he suggested the policy should carry a weekly or monthly indemnity for partial or total disability and a lump sum for medical reimbursement, still using the personal accident policy as the basis.

Other seminar speakers were Harold S. Hays of Pownall, Taylor & Hays, Portland; William D. Yerkes, rate supervisor of the Washington department; Alvin C. Tregoning, special agent for Security of New Haven; Frank M. Egan, special agent for Hartford Accident, and Edward H. O'Connor, managing director of Insurance Economics Society.

Backs Valued Amounts

Company backing of legislation which would permit the writing of valued or specific amount of insurance based on a value submitted by insured, thereby taking away ill feeling in case of loss where the average clause is invoked, was urged by Mr. Sharpe. Curtailed insurance markets and restrictions placed on the buyer who needs large amounts of insurance on short notice, makes this particularly true today, he said. "When the need for insurance arises, then the need is present whether the coverage is available or not. For this reason, the insurers must revamp reinsurance underwriting practices, increase rates and premiums and lower commissions throughout the reinsurance market. The acquisition cost is too high in this branch of the business, which curtails ready acceptance in available markets."

Mr. Sharpe also suggested elimination of rating formula by states in favor of a national program, thus eliminating one of the major multiple line underwriting obstacles. Appointment by companies of only competent agents also is important, he said.

Mr. Hays reviewed the early growth of the business and the legislative and administrative demarcation of the kinds of insurance permitted to be written by a single insurer. Gradually, he said, these barriers were reduced until now multiple line underwriting has been approved in 44 states. Before the agent can fully benefit from the multiple line trend, he said, there remain a number of administrative problems, including rate practices, which must be solved. He listed as the important benefits of multiple lines reduction in agent's overhead, elimination of resoliciting business when written under extended term forms, simpler policy language with fewer forms, fewer disputed claims, larger premium volume and elimination of many small, unprofitable policies.

It may be necessary to amend many state laws to clear the way for development of multiple line underwriting, Mr. Yerkes remarked. Mentioning that the classifications in which all insurance is now divided may be unworkable, he noted that the ultimate may be the establishment of only two classifications—third party liability and physical

All-American of Chicago Completes Big Financing Goal

All-American Casualty of Chicago has closed its sale of an additional 1 million \$1 par value shares, offered at \$3 per share. This gives the company a financial structure of \$4,250,000 of which \$2 million is capital, and \$2,250,000 net surplus.

Shares were sold in two public offerings, the first 1 million being sold at \$2, and the second at \$3. The completion of this sale marks a record in the financing of new A. & H. companies, and the financial structure is unusually impressive.

M. A. Kern, president and organizer, was formerly head of Alliance Life and with him in the organization of All-American are many of his former associates in Alliance Life, such as A. J. Schmidt, L. A. Peters, G. L. Bechtold, F. A. Peters, and M. F. Grimes.

A recent addition to the staff of the All-American is E. E. Ballard, executive vice-president in charge of sales. Mr. Ballard was with Jefferson National Life of Indianapolis, where he built an effective sales organization. Mr. Ballard had formerly been with Mr. Kern in the early years of Alliance Life.

All-American is licensed in Alabama and Texas in addition to its home state of Illinois. A line of policies is being offered to appeal to the higher income class. For instance there is a catastrophe contract for \$5,000 with deductibles of either \$200, \$300 or \$500 and this is on a family basis. Then there is a contract that has been called the "Challenger" and that is designed for business and professional men. This provides lifetime indemnity for both total and partial disability; it is participating; All-American will write up to \$600 per month. There is \$25,000 principal sum and double indemnity for accidental death by automobile and double indemnity for disability in an automobile accident.

damage.

Mr. Tregoning considered problems which must be solved before multiple line underwriting can come into its own. He referred to the need for proper underwriting of each class of business under a multiple line policy, proper rating and reconciliation of the differences between the many different rating bureaus involved. He predicted that the American market's capacity in all lines would increase as a result of multiple line underwriting as well as reinsurance treaty revisions. He termed as discriminatory the Washington agents licensing law which requires a multiple line company to qualify a new agent for all lines. He said an automobile dealer representing a company writing only auto business takes only the auto exam.

Need Good Financing Plans

Mr. Egan mentioned that if a multiple line market is available in one company or group of companies the agent then can spread the risk and, in effect establish a favorable balance with the company, thereby helping to weather the effect of poor experience in one or more lines. Besides offering concise coverages at a savings, Mr. Egan said, under multiple line underwriting the business must discover a generally acceptable means for financing. He said the inability of agents in smaller communities to finance their premiums represents a considerable loss of business.

During the present session of Congress, investigation and study will be made to determine what changes are necessary in the social security act, Mr. O'Connor said. The Brookings Institute, the Hoover Commission and other students of social security have recommended that the present system be scuttled and replaced with a pay-as-you-go plan, financed through a flat-rate universal income tax, without exceptions.

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Lelli Discusses Jump in Chicago Fur, Jewelry Losses

Urban M. Lelli, secretary of Phoenix of Hartford, discussed the tremendous increase in personal fur and jewelry losses in Cook County in his talk at Chicago Insurance Day.



U. M. Lelli

Noting that he was expressing only his personal experiences and views, he said that many of the robberies and thefts seem to follow a pattern. The household selected is generally contacted by phone and if answered, the caller hangs up. If not answered, the robbery is attempted and usually with success.

Minks seem to be the objective, but other expensive furs are not overlooked, Mr. Lelli commented. Selected victims seem to be cased before the robbery as no attempt is made to enter the living quarters when occupied. The same procedure often is followed in connection with jewel robberies. If not carried out by the same gang, the training seems to be by the same master. Recoveries have been few, he said, and it is not known where the stolen goods are being converted to cash.

These burglars appear an addition to the regular holdup and forcible entry gangs that operate in all large cities, according to Mr. Lelli. The Chicago Board and the companies are doing everything possible to correct the situation, he said, but to date the results have not been satisfactory. A few recent arrests give some encouragement.

If the solution of this problem follows past experiences, the breaking up of gang activities will come suddenly, Mr. Lelli said. Of course, the big question is "when," he added. "I venture to say if all the stolen property during the past year had not been insured, this city would have experienced some public indignation meetings."

Mr. Lelli mentioned that improved underwriting and investigation at the time of risk acceptance has been suggested as a solution. Localities involved seem to be the so called best; therefore, more thorough investigation of the individual seems to be in order. Some believe the situation is ideal for moral hazard, the theory being that so many actual burglaries are without forcible entry (by pass keys, apparently) that another report of loss without evidence of forcible entry will not attract unusual attention and the sin of fraud goes undetected.

The Chicago Board, Mr. Lelli related, has recommended the following action: "Place the rating of jewelry and furs on a territorial basis rather than on a national basis; fur rates should be considerably higher for minks than for other furs; when a fur policy is issued, insured should be required to warrant and make this warranty a part of the policy as to the time of purchase and the price paid."

Present conditions have spotlighted the appraisal racket, Mr. Lelli said. Few persons pay the price tag figure for expensive coats or jewelry. Yet a number of shops will issue an appraisal for insurance purposes only for about any sum the purchaser desires. Insurance is to restore the actual loss, not to give the policyholder a profit. Many companies today demand bills of sale to avoid over-insurance and arguments at the time of loss.

Turning to effective prospecting, Mr. Lelli said that after selection of individuals and corporations to be solicited, each should be analyzed for insurance consciousness. First find out whether every exposure is to be protected, or only catastrophe coverage afforded.

Then determine exposures of interest to each property owner. There are many methods of determination, but regardless of the approach used, the agent must have a high degree of familiarity with the risk in every respect.

Many agents find present customers are their best prospects, Mr. Lelli said.

He warned, however, they won't be unless the agent presents to them all coverage changes and new forms of insurance.

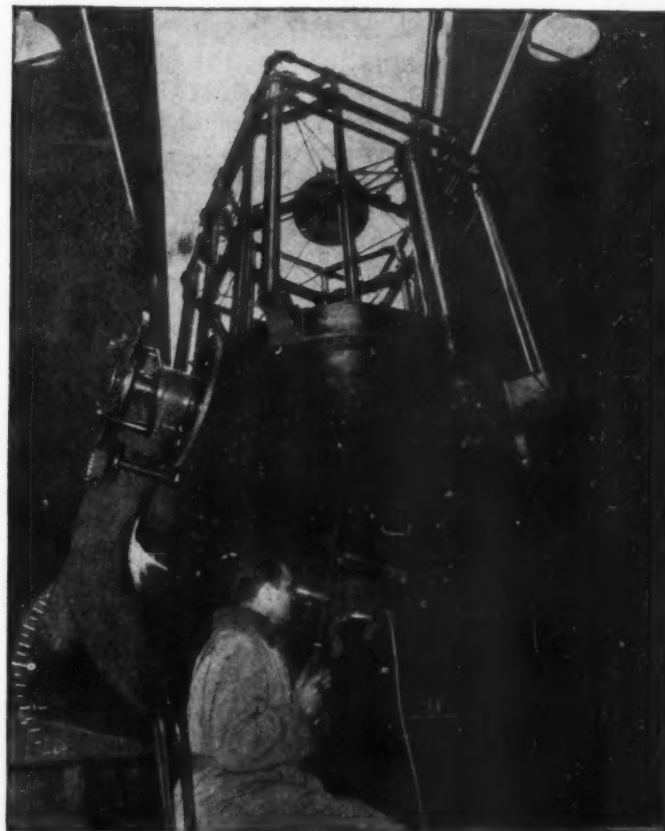
Chicago is a great exposition city, Mr. Lelli said, and most exhibitors will buy insurance if properly approached. Neighborhood shows are often overlooked prospects.

Prospects are unlimited under the installation floater, Mr. Lelli noted. Everything that is dismantled or moved from one place to another, regardless of distance, value or size, can be insured under this floater. The policy is designed

not only for large or heavy machinery, but thousands of other articles such as pipe organs, electrical, plumbing, fire protective equipment, safes, and even television sets.

Mr. Lelli observed there are hundreds of concerns which have property entrusted to them and need the protection of a bailee policy. Transit insurance, the oldest marine coverage, has become popular since the Kansas City flood. Insuring of records in a destruction of records policy is another comparatively untouched market, as is the market for the accounts receivable policy.

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CHICAGO 4, ILL.

Kill Mass. State Bureau Proposal

The bill put forward by Gov. Dever of Massachusetts to provide for setting up a state operated statistical bureau incident to compulsory automobile insurance rate making, was killed in the house 144-76. The present bureau is operated by the insurance companies. The Dever bill would require the insurers to defray the costs of operating the state bureau.

Rep. J. E. Hannon offered the motion to kill the bill. He said that the state operated plan might eventuate in a flat rate policy. He contended the insurance department has all the information that it needs and a state bureau would be unnecessary, unwieldy and costly. Rep. George E. Rawson of Newton, who is in the insurance business, said that the state bureau would be operated by people who know nothing about the insurance business and he argued that it would bring about increased rates. The insurance companies would have to operate their own bureau anyway to fix property damage liability rates.

Rep. Harry Coltun of Chelsea, charged that "the smoke screen of flat rate insurance is being laid to make those in low rate areas feel a state bureau would be the first step in establishing a flat rate."

Danielson Becomes Illinois Director for State Farm

R. D. Danielson has succeeded N. Eric Bell as Illinois state director for the State Farm companies. Mr. Danielson has been assistant state director for 10 years. Mr. Bell, who had held the post since 1937, had announced his retirement on Jan. 1. Mr. Danielson joined the companies as an agent at Chicago in 1933 and became Cook county manager.

Stanford S. Schneider has been appointed assistant state director. He went with the companies as a district manager and was appointed agency supervisor last year.

Lumbermens Mutual Holds Open House at Boston

Lumbermens Mutual Casualty held open house at its New England headquarters at Boston to mark the company's 40th anniversary.

On hand from the main office at Chicago were Mark Kemper, treasurer, and John A. Arnold, vice-president and fire underwriting manager, who acted as co-hosts with Martin P. Luthy, vice-president and manager of the New England division.

The film, "No Longer Worried," produced as a feature of the bicentennial of mutual insurance, was shown.

The Boston office now employs more than 850 people.

E. W. Kitzrow Makes Change

E. W. Kitzrow, who has been vice-president of Hardware Mutuals' casualty underwriting, payroll auditing and safety engineering department since 1931, and its Mutual Rating Bureau representative during the past 1½ years, is resigning effective June 1. In his earlier days he was with the Wisconsin insurance department as secretary of the Compensation Insurance Board, and also with Wisconsin Compensation Rating Bureau commencing in 1921. He plans to move from East Orange, N. J., to Los Angeles to seek other affiliations.

New York Loophole Plugged

Governor Dewey of New York has signed a bill which requires insurance of 10/20/5 on motor vehicles driven by minors. The bill was introduced to plug a loophole in the law that requires minor owners of automobiles to carry insurance. The coverage would be new

in those cases where the owner of the family car did not have insurance and it was driven by the minor. It applies to non-residents and residents.

U.S.A.U. Had Cover on Pan American Crash in P.R.

U. S. Aviation Underwriters has the coverage on Pan American World Airways, a DC-4 airliner which struck the sea and sank five miles southwest of San Juan, P. R., last week. Only 17, including the crew, survived out of 69 aboard. It was an Easter tourist plane en route to New York. The plane broke apart in 10-foot waves and sank in shark infested waters.

The four-engine plane carries a price tag of about \$500,000. Seven of the 58 adults and six infants on the passenger list were from the continental U. S., the rest were natives of Puerto Rico and Cuba. The pilot, Captain John C. Burn, is the husband of Jane Froman, singer, whom he rescued after a crash of a plane at Lisbon in 1943.

O.D. Initiative Proposal in Montana Draws Sparks

Considerable heat is being engendered in Montana by a movement spearheaded by Jerry J. O'Connell, left-wing leader, to get on the November ballot an initiative measure to bring occupational diseases under the workmen's compensation act. There is an explosive feature in the proposed measure requiring an employer to pay \$5,000 to any employee that has an occupational disease or infection that is discharged and then it would be unlawful for an employer to refuse to hire anyone who suffers from a non-disabling occupational disease. Refusal to hire such a person would cost the employer \$5,000. The measure also includes increases in maximum compensation benefits both in dollars and in time estimated to increase costs about 42%.

Petitions for the initiative are being circulated by Montana industrial health committee.

Montana Economic Council of Helena is combating this move aggressively. It is sponsoring prominent advertisements captioned "Warning" and charging that this petition "is dangerous and destructive to Montanans in every walk of life."

Voluntary Assigned Risks in Wash. Put on 3-Day Basis

The governing committee of the Washington automobile assigned risk plan has recommended a new rule to speed up processing of applications. It is proposed that voluntary risks (those not subject to certification under the financial responsibility law) be handled on a three-days notice basis; that is, that after receipt of notice of destination from the manager, the carrier within three days time shall notify the applicant that a policy will be issued, provided the premium is received within 15 days or within such further reasonable period as the carrier may agree to, such policy to become effective 12:01 a. m. the day following the day on which the premium is received; or that within three days the carrier advises that a policy will not be issued for the reason that applicant is not entitled to coverage under the plan. The three-day notice period will replace the 15-day period as respects voluntary risks only, if all of the members of the plan concur.

There is to be no change in the method of handling certificated risks. In those cases the member companies will still have 15 days after receipt of notice to handle the assignment or decline same under the rules of the plan.

According to a bulletin sent to the members, the change was to go into effect, in the absence of a negative vote, on April 15.

Insurance Women of Lincoln, Neb., at their regular April dinner meeting heard reports on the regional conference at Denver.

A. & H. Hold E. Semin

Bureau of Education at Hotel Biltmore, N. Y. The morning devoted to a general insurance seminar. New York L. Douglas J. M. speak on "The P. Dowlan on claim bureau staff plans; Carroll Regulatory Hospital Exp. State, Lumb. on "The Mis. ion," and Mutual Life. Need for a in a Company. Speakers that include Ger. Life, on "194 insurance;" A. Mutual Life, ance;" Franco General Life, insurance;" Life, "Modern on Policy with a discus problems by manager of t

Stress Major

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C. E. McD. tional Life, r the executive of A. & H. U. that agents in and the Perm. organizing loc. The uniform hospitals and have not worl. stated. The h. the company under the dire. ction. Mr. McDor. gate to the International Park, N. J.

Confer at

A special me. committee me. of A. & H. U. Grand Rapids monthly meeti. man associati. of such sessi. ransactions. A. Rapids talked Federal Taxes

ACCIDENT AND HEALTH

A. & H. Bureau Will Hold Educational Seminar May 7-8

Bureau of A. & H. Underwriters will hold an educational seminar May 7-8 at Hotel Biltmore, New York.

The morning of the first day will be devoted to a discussion of hospital expense insurance. Robert W. Carey, New York Life, will present a 1952 analysis of hospital expense insurance. Douglas J. Moe, United States Life, will speak on underwriting considerations; A. P. Dowlen, Republic National Life, on claim trends; L. A. Orsini of the bureau staff, on hospital admissions plans; Carroll J. McBride, Travelers, on "Regulatory Considerations Affecting Hospital Expense Insurance;" Paul W. Stadel, Lumbermen's Mutual Casualty, on "The Miscellaneous Expense Provision;" and E. A. Hauschild, Security Mutual Life of Binghamton, on "The Need for a Hospital Expense Program in a Company's Portfolio."

Speakers the afternoon of May 7 will include Gerald S. Parker, Guardian Life, on "1952 Analysis of Health Insurance;" Alfred W. Perkins, Union Mutual Life, "Non-Cancellable Insurance;" Francis J. Haran, Connecticut General Life, "Conservation in A. & H. Insurance;" Paul H. Rogers, Aetna Life, "Modern Warfare and Its Effect on Policy Construction," concluding with a discussion of current regulatory problems by J. F. Follmann, Jr., general manager of the bureau.

Stress Major Medical Expense

The second day will be devoted entirely to major medical expense insurance. The discussion will be led by David H. Harris, Equitable Society, assisted by Henry R. Roberts, Connecticut General; Albert Burgoyne, Liberty Mutual, and R. E. Ryan, Royal-Liverpool. The discussion will include a general description of each company's plan, scope of the coverage and reasons for any exclusions, factors affecting underwriting, underwriting procedures, claim problems and procedures, general administrative problems, and marketing and sales. "Regulatory Considerations in Connection with Major Medical Expense Insurance" will be discussed by John F. McAlevy of the bureau staff. The entire seminar will be under the general direction of P. J. Burns, New York Life, as chairman. Neil J. Brown, Hartford Accident, chairman of the governing committee of the bureau, will welcome those attending.

Plan New Texas Locals

C. E. McDonald, Guardian International Life, reporting at a meeting of the executive committee of Texas Assn. of A. & H. Underwriters at Austin, said that agents in the Rio Grande Valley and the Permian Valley are desirous of organizing local associations.

The uniform blank to be used by hospitals and doctors in reporting claims have not worked out as planned, it was stated. The hospitals apparently prefer the company blanks to those prepared under the direction of the hospital association.

Mr. McDonald was elected a delegate to the June convention of the International association at Asbury Park, N. J.

Confer at Grand Rapids

A special meeting of officers and state committee members of Michigan Assn. of A. & H. Underwriters was held at Grand Rapids in conjunction with the monthly meeting of the Western Michigan association. It was one of a series of such sessions with the local organizations. Archie B. Millard of Grand Rapids talked on "What's With Our Federal Taxes."

New Chicago Official Slate Is Unveiled

The women's division of Chicago A. & H. Assn. were hostesses at the April meeting this week at which the speaker was Carl A. Ernst, North American Life & Casualty, St. Paul, president of the International Assn. There was a turnout of more than 50, and this despite the competition of Chicago Insurance Day and the opening of the season for the Chicago White Sox baseball team.

Albert H. Wolhlers, Youngberg-Carlson, was chairman at the opening formalities during which the nominating committees gave their reports. Officers recommended will be voted upon at the May meeting.

The slate for the Chicago association is: President Earl W. Montgomery, Moore, Case, Lyman & Hubbard; vice-presidents, Jack H. Olson, Combined, Robert E. Keeley, Monarch Life, and Frank V. McCullough, Continental

Casualty; treasurer, Roy W. Holland, Loyalty group, and secretary, Miss Marie Meade, H. & A. Underwriters Conference. New executive committee members will be: Mr. Wolhlers, the retiring president; Donald W. Aleshire, Parker, Aleshire; Wallace Graham, Hooper-Holmes; W. G. Manzelmann, North American Accident, and Donald C. McVey, Meeker-Magner.

New officers of the women's division will be: President, Miss Veronica Cardott, Provident Life & Accident; vice-presidents, Mrs. Gladys Berger, Washington National, Miss Nancy Clover, Insurance Economics Society, and Miss Mary Miller, Charles U. Victor & Co.; treasurer, Miss Catherine Meade, Loyalty group, and secretary, Irma Schaffrick, Lamb, Little & Co.

Mr. Wolhlers announced that the spring banquet of the Chicago group will be May 21.

Mr. Ernst was introduced by Miss Helen Boltz, Washington National, the president of the women's division. His address, "Colorful Selling," is one that has become nationally famous. Mr. Ernst explained that it was developed by everyone in his agency at St. Paul when it was learned that the new men didn't want to use a canned sales talk. Each part of the approach, presentation and close was given a try and dis-

cussed, revised and tested again before it was included in the final presentation.

One of the things that was learned early, he said, was the discovery of the importance of needs in relation to wants. A man may need insurance but he will not buy what he needs unless he is made to want it.

The new directory listing the membership, by-laws and other pertinent facts about the Chicago association was presented to the members at the meeting, copies of the booklet being placed at each table.

To Hold "A. & H. Week" in Metropolitan New York

A. & H. Club of New York next week will sponsor an accident and health week in the metropolitan area, and the event will be given a send-off by Mayor Vincent Impellitteri, who is releasing a proclamation recognizing the part that the city's insurance companies play in providing the necessary protection for the people.

On April 23 the club will hold an open meeting at the chamber of commerce with the theme "A. & H. Production—Meeting the Public's Need." Talks will be given by John F. McAlevy of Bureau of A. & H. Underwriters on "Uniform Individual A. & H.

Security Mutual Casualty Company

Thirty-ninth Annual Statement

December 31, 1951

Assets

United States Government Securities	\$ 4,339,895.02
Industrial, Rail, Utility, and Other Bonds	9,351,640.70
Bank Stocks	611,088.00
Industrial Stocks	2,213,307.00
Accrued Interest on Investments	103,286.81
Cash in Banks and Offices	356,196.13
Premiums Due (Not Over 90 Days)	587,315.05
Other Assets	54,394.30

Total Admitted Assets \$17,617,123.01

Liabilities

Reserve for Unpaid Claims	\$ 8,410,174.66
Reserve for Unearned Premiums	3,168,366.58
Reserve for Taxes, Expenses, and Unabsorbed Premium Refund	277,136.39
Reserve for All Other Liabilities	48,813.57
Voluntary Reserve	2,512,631.81

Surplus
(including Guaranty Fund of \$1,000,000.00) **3,200,000.00**

Total Liabilities and Surplus \$17,617,123.01

Valuation of securities on National Association of Insurance Commissioners Basis. Securities carried at \$357,442.76 in this statement are deposited as required by law.

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NEW YORK OFFICE
79 John Street
NEW YORK 38, NEW YORK

Policy Provision Law"; Robert Marshall, administrative deputy of the workmen's compensation board, on "Recent Disability Benefits Law Developments," and F. T. Corby, personal accident department manager of Home Indemnity, on "A. & H. Sales Problems of Fire & Casualty Agents & Brokers."

Kirk Landon Puts Life Company Into Credit Field

American Bankers Life Assurance Co. is in process of being launched by Kirk A. Landon of Miami, who operates ex-

tensively in the auto finance and other types of credit insurance fields. He is chairman of American Bankers Ins. Co. of Florida. The new company, according to Mr. Landon, will operate in the credit life and disability field commencing June 1, and in ordinary life Sept. 1. Capital is \$250,000 and net surplus \$250,000, all of which has been subscribed by stockholders of American Bankers Ins. Co.

James G. Ranni, who is president of the new company, has general agency offices for Manhattan Life at New York and at Miami. The latter are in the Kirk

Landon building.

Mr. Landon will be the chairman. Vice-president is Harold L. Buck; treasurer, Thornton M. Fincher; assistant treasurer, Philip Stroller; secretary, Paul L. E. Helliwell, and assistant secretary, James L. Guilmarin. The latter is Mr. Landon's son-in-law and is associated with Mr. Helliwell in law practice.

Directors of the new company are Alan K. Dolliver, Family Finance Corp. of Wilmington; George S. Eccles, president of First Security Corp., a system of banks in Utah, Idaho and Wyoming; E. Roy Fitzgerald of Chicago and Miami, president of National City Lines; Dr. James K. McShane, president of Doctors hospital, Miami; H. M. Stolar of St. Louis; Charles L. Clements, Chase Federal Savings & Loan Assn., Miami Beach; Arthur A. Blumeyer, president Bank of St. Louis; George Bromeyer, president of Bank of Ferguson (St. Louis), and B. T. Mattingly, chairman of Ozark Airlines, St. Louis.

State Mutual to Write A. & H.

State Mutual Life will begin writing A. & H. coverage some time this fall, H. Ladd Plumley, president, told 250 field associates at the company's 1952 educational conference at White Sulphur Springs, W. Va.

Adams Leaves Old Line Life

Herbert R. Adams has resigned as manager of the A. & H. department of Old Line Life of Milwaukee. He joined the company as an A. & H. claim adjuster in 1926, and was appointed manager of the division in 1943. He has not announced his plans.

Uniform Act in Two States

The new A. & H. uniform policy provisions bill has been passed by the Massachusetts legislature. It was also included in the new insurance code in Virginia.

CHANGES

New Managers of Employers at Pittsburgh, Harrisburg

Ralph E. Wallace, who has served as underwriter, special agent, chief underwriter and manager at Harrisburg of the Employers group, has been appointed manager at Pittsburgh. He has been with the group since 1929.

Succeeding Mr. Wallace as manager at Harrisburg is William H. Downes, who joined Employers in 1947 as special agent, with previous experience as rating engineer, underwriter and chief underwriter.

Jones in New Mich. Post

E. R. Green, manager of the Michigan service branch of Continental Casualty at Detroit, has announced the appointment of Laurance Jones as manager of the fidelity and surety department. Mr. Jones was formerly with Michigan Surety of Lansing.

Zurich Names Group Men

Zurich has appointed new group insurance district managers in Chicago and New York and a new district representative at Cleveland.

Taking over the New York metropolitan area is C. A. Stark, formerly district manager at Cleveland. L. W. Ostling, formerly group representative at Chicago, becomes district manager there. Replacing Mr. Stark at Cleveland is R. A. Strobel, recently returned from Korean service.

Mr. Stark has been with the Zurich since 1950 when he joined the New York office as a group representative. Later he was transferred to Cleveland as district manager.

Mr. Ostling also joined the company

in 1950. He has served as group representative at Chicago.

Mr. Strobel served as a group representative in Cleveland before his recall to the army in October, 1950.

Clarke Takes New Post

James B. Clarke, Jr., for several years manager of the Lloyds department in the San Francisco office of Pacific Employers, has resigned to go with Reinsurance Underwriters, Inc., of which Otis Clark is president, as manager at Los Angeles.

Salsbery Nashville Manager

John Salsbery has been appointed president manager at Nashville by American Casualty group, succeeding William K. Lambie, who has been transferred to the agency department at the home office. A graduate of Wharton school, Mr. Salsbery entered insurance 13 years ago. He served for ten years with American Associated, advancing to district manager of New Jersey. Later, he joined Indemnity of North America in New York, where he was production manager of the group A. & H. division. Mr. Salsbery taught insurance subjects for four years at Rutgers University.

ASSOCIATIONS

Kleene Hawaii Bureau Head

Hawaii Casualty & Surety Rating Bureau has elected Fritz K. Kleene, vice-president of Home of Hawaii, as president to succeed James P. D. Throop, assistant manager of the insurance department of American Factors.

Calvert G. Chipchase, treasurer of the Bonding & Insurance Agency, was named vice-president; Arthur J. Latta reelected secretary and Mark R. Briggs assistant secretary.

Elected as new members of the governing committee are U. S. F. & G. and Ocean Accident. Holdover members are Home of Hawaii, Pacific Ins. Co., Fireman's Fund Indemnity and Globe Indemnity.

Hear Negligence Talk

White McGee, Jr., Los Angeles attorney, spoke before Casualty Insurance Adjusters Assn. of Southern California on "Comparative Negligence." He told of the work of the conference committee of the State Bar and the adjusters and the agreement worked out, which still is in force. He held that the doctrine of comparative negligence tends to destroy the standards in the jury room, and that it increases the amounts awarded in verdicts.

Insurance Big Source of Inquiries from the Public

NEW YORK—Of the 1,432,228 inquiries and complaints, covering more than 60 different business classifications, which better business bureaus handled in 1951, all lines of insurance constituted the fourth most numerous classification. It was exceeded only by solicitations for funds for charities and causes; home construction, and the advertising, merchandising and servicing of TV sets.

Exceeded Previous High

The number of inquiries and complaints in 1951 exceeded that in 1949 by 21.6% and 1949 by 42%. Of the total, 72% of contacts made were for information about the reliability of a company, product, service or individual, or for assistance prior to entering a business transaction.

The three leading categories by volume of inquiries and complaints were merchandise, 47%; commercial, 21% and financial, 14%. Home construction, photographers and insurance caused the greatest number of problems in these respective categories.

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New York 38, N. Y.

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Fire Marine Allied Lines

AMERICAN RE-INSURANCE COMPANY
AMERICAN RESERVE INSURANCE COMPANY

Bituminous serves the Agent

Specializing in
workmen's compensation
and all lines of liability coverage

BITUMINOUS CASUALTY CORPORATION

ROCK ISLAND



ILLINOIS

Expected Boost in Group Casualty Rates Still Delayed

Hancock's Jan. 1 Raise Not Followed by Others, Despite Need for Advance

NEW YORK—It isn't often that what doesn't happen constitutes news but that's the situation in group casualty sales today.

What isn't happening is the general rise in rates that was supposedly going to follow the increases, ranging from 15 to 25% that John Hancock made Jan. 1.

For quite a while there has been no doubt that group casualty rates were definitely too low. Group companies, of course, can no longer get together and decide on rates as in the old Group Conference days, but group executives keep a sharp eye on what their competitors are doing. By late last year, all hands were agreed that a rise in rates was more than justified but nobody liked to be the one to lead the procession, even though it was widely believed that if one of the major group companies were to get its rates up above the general level the others would quickly follow suit.

Alert for Increases

Since the Hancock's announcement, group men have been especially on the alert for reports of increases by other companies, but to date they have not been forthcoming.

It is true that one company, State Mutual, raised its rates effective March 1, but the move only brought them up to the general level of the competition.

The belief is widespread among group men that New England Mutual, which recently announced its entry into the group life and annuity fields, will also get into group casualty after the present unsettled rate situation becomes more stabilized. In support of this theory they point to the extreme difficulty of getting any appreciable amount of group life business without taking the insured's group casualty coverage. In fact, the satisfactory experience on group life is often the only thing that makes it possible to accept group casualty coverages at the present level of rates.

Union Activity a Factor

Adding materially to the push in driving down group casualty rates is union activity. Union negotiators, as they learn more about insurance coverages, are becoming increasingly astute at knowing almost to the penny how low a rate they can squeeze out of a company in the process of pitting one insurer against another.

Incidentally, a sometimes exasperating aspect of these cases and one that results in considerable wasted time for group departments is that where the broker has to kick back all or part of his first year commission to the union leaders involved. Size of the kick-back may be the deciding factor rather than the cost or scope of the coverages. The exact extent of these kick-back arrangements is unknown and officially nobody knows that they exist at all. However, reports of them are so frequent and from so many sources that they can hardly be dismissed as figments of somebody's disordered imagination.

An incidental complication to these rebates is the federal income tax. One broker who reportedly rebated his entire first year group commissions on union-negotiated business found himself

in a pickle, not having foreseen the tax angle. He is now in the process of trying to get the internal revenue bureau to regard these rebates as ordinary and necessary business expense.

The more usual practice, it is understood, is for the kick-back recipient to permit the broker to retain at least enough, though perhaps no more than enough, to take care of his income tax. There is more caution than generosity behind this procedure, however, as no rebate recipient is anxious to be identified as such in an income tax return—or anywhere else, for that matter. In fact, the usual system is to insist on payment in cash, as a check would stand as a record. Some are even so cautious as to insist that payment be in goods rather than in cash, such as a mink coat for the recipient's wife, or an expensive automobile.

Temptation to Switch

An even more disturbing aspect of the kick-back is the temptation it offers to switch insurers in succeeding years to get more rebates. Even with a 60% loss ratio, an insurer can lose money the first year and if it loses the case at the end of the year there is of course no chance to recoup. And if the experience should be as favorable as 55% the chances are the union would want the rate cut.

Unions have also been coming into the group picture increasingly via the advertising route. Group writing companies are being pressured to run advertisements in union year-books. The insurers usually don't feel the advertising has any positive value but they are afraid a blunt refusal will be used against them. And if a company advertises in one union's year-book it is quite likely to get a solicitation from another union that has heard about the first union getting the advertising even before its year-book is off the press.

N. Y. Law's Effect

New York has a law, just enacted, giving the insurance superintendent the right to impose fines up to \$1,000 for each offense in connection with filing of rates and policy forms. This may further cramp the style of some group insurance representatives who have been getting over the line a little. One practice is to quote a rate to a prospective insured that is largely dictated by competitive considerations and then file the rate with the department. This is done even though the rating law requires that rates be filed first.

Companies doing business in New York are already at a considerable competitive disadvantage outside the state, where they are in competition with large and aggressive group insurers that are not bound by New York's laws.

One of these companies was for a time cutting below any competitor's bid, no matter how low. The story is that finally one after another of this company's competitors would quote an impossibly low rate, just so the first company would undercut—which it did. In due course, however, the company caught on to what was being done and gave up its "we will not be undersold" policy.

A symptom of the cutthroat competitive situation in group casualty is a tendency to develop minor variations in coverages and build them up out of all proportion to their importance, in order to sell the case against competition.

Appeals Hog Bond Case

ST. PAUL — Ohio Casualty has appealed a Minnesota railroad and warehouse commission order directing it to pay \$4,000 to Minnesota farmers who paid a client of the casualty company for pigs which never were delivered. Ohio Casualty bonded Leslie Grove, doing business as American Hog Raisers, Inc. Claims against Grove totaled more than \$5,000 but as he was bonded for only \$4,000, Ohio Casualty was directed to pay the claims at the rate of 80.89 cents on the dollar.

Agreements Void Without Industrial Board's OK

Texas supreme court has ruled that agreements between the employee and insurer to settle compensation claims are ineffective unless approved by the Industrial Accident Board. The case was Joe B. Brannan vs. Texas Employers Insurance Assn.

Texas Employers contended that a lower court erred in refusing to give permission to introduce as evidence a signed agreement between the workmen and the association. The supreme

court held that since the agreement was never approved by the Industrial Accident Board it was nothing more than an oral agreement.

Hearings on Cal. Rate Hike

Commissioner Maloney of California has issued notice of hearings to be held at San Francisco May 13 and Los Angeles May 15 on proposed increase in workmen's compensation rates.

The J. B. Miller agency at Eureka, Calif., has purchased the former C. W. Bradford Agency there from Mrs. Grace Bradford.

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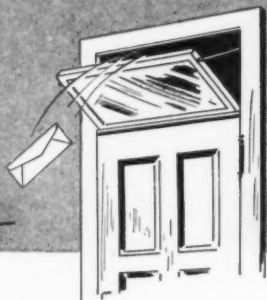
DEATHS

(CONTINUED FROM PAGE 23)

foundland, died at Toronto. He was at one time secretary of Canadian Fire Underwriters Assn.

A. D. BLAKESLEE, who was with the Dewick & Flanders agency at Boston for many years, and was a director of that firm at the time of his death, died at the age of 58. He was a former president of Boston Board of Fire Underwriters, he was vice-president of Massachusetts Osteopathic hospital, a

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director of Boston Penny Savings Bank, past-president of Newton Lions Club.

W. S. FOSTER, 84, retired associate western manager of North America,

died at the home of a daughter, Mrs. H. Dana Garland, at North Girard, Pa. Mr. Foster entered the business at the age of 17 at Erie, Pa., in the old western department offices of the company which he served all his business life. In 1910 the department was moved to Chicago, but Mr. Foster remained at Erie as assistant general agent there until that office was consolidated with the Chicago office in 1917. He was then named superintendent of agents, later appointed second assistant manager and finally named associate manager.

Mr. Foster retired in 1937 after 52 years with North America. He was an expert on U. & O. and followed that coverage closely from its inception. He also made major contributions in the standardization of policy forms. While active in the business, Mr. Foster was considered an insurance encyclopedia, and was the author of many articles which appeared in *THE NATIONAL UNDERWRITER* and in other trade journals.

FRANK EICKHOFF, 75, former secretary of Fidelity & Deposit at New York, died at Jersey City. During part of his career with F. & D., Franklin D. Roosevelt was vice-president of the company.

WILLIAM T. SMETHELLES of the Hastings-Santo agency, Traverse City, Mich., died suddenly. He was formerly a Michigan field man for Detroit Fire & Marine.

MRS. FRANCIS S. PERRYMAN, 55, wife of the assistant U. S. manager of Royal-Liverpool, died at her home at Scarsdale, N. Y.

WILLIAM M. FRINK, 71, retired U. S. manager of Norwich Union, died at Bronxville, N. Y. He retired in 1945, when E. P. Smith became U. S. manager, after serving from 1941 in that capacity. He was assistant U. S. manager from 1936.



W. M. Frink

He joined Norwich Union at Chicago, in 1925, as a general agent. He started his career with Connecticut Ins. Co., and held varied field posts in the midwest. After joining Royal he became assistant manager of that company at Chicago. He was widely known in the midwest and had served on the executive committee of National Board.

William M. Frink, Jr., is special agent of New York Underwriters at Hartford.

MRS. KATHERINE V. RAWLINGS, 77, widow of Ralph Rawlings, former co-manager of the western department of Boston at Lansing and later president of Monarch Fire, died at Beverly Hills, Cal.

Home Names 2 on Coast

David J. Steele, Jr., has been made special agent in the brokerage department of Home at San Francisco. He joined Home in 1949 after service with Pacific Fire Rating Bureau.

R. G. Honerlah has been named special agent in the south coast field of the San Francisco office. He joined Home in 1949.

New officers of *Underwriters Salvage Corps* of St. Louis are: President, Raymond W. Smith; vice-president, John J. O'Tolle; secretary, Leslie E. Bright; treasurer, J. Garneau Weld. Albert H. Schwarz continues as assistant secretary.



W. S. Foster

Hanover Dinner Draws 100

NEW YORK—A dinner party with a 100 candle cake climaxed the celebration of Hanover Fire's centenary observance here Tuesday. About 600 Hanover and general agency personnel and their families, including representatives from Canada, attended. President F. Elmer Sammons introduced several distinguished guests, including Superintendent Bohlinger of New York; John R. Cooney, head of Loyalty group and president of National Board, and Fred A. Hubbard, retired president. A reception preceded the dinner. Mr. Sammons and R. C. Williams, secretary, were in charge of arrangements.

About 200 representatives from over the country and home office staff members attended a series of business meeting during the week conducted by Mr. Sammons and other executives. There was an open house at the home office on Sunday and other festivities.

Among those at the dinner were several now on the retired list including W. K. Maxwell of Lincoln, Ill., former vice-president and western manager, A. O. Infanger, retired financial vice-president and R. Gravenstine, former state agent in Wisconsin.

Home Men Promoted

Home has made several promotions in its field staff.

Edward R. Smith becomes vice-president of the crop-hail department, George M. Craig, vice-president of the farm department, Louis J. Fischer, resident vice-president at Chicago, and Robert W. Nelson, resident secretary at Columbus.

Licensing Ceremonies

The license of the newly organized Insurance Co. of the South of Jacksonville was presented with ceremonies by Commissioner Larson to E. Dana Johnson, the president, and Hugh Christie, executive vice-president. This company will write some fire business but it will mainly engage in the field of automobile contingent commission insurance. Mr. Johnson heads his own general agency at Jacksonville, and is also resident vice-president of Southern Fire & Marine of Atlanta. Mr. Christie, until last October, for 10 years had been deputy commissioner of Florida. M. M. Torres, Jr. is secretary and R. K. Keith, assistant secretary.

Ed C. Smith, vice-president of Weekly Underwriter, is critically ill in Long Island College Hospital, Brooklyn where he underwent an operation fol-

lowing a general hemorrhage. The paper has issued an appeal for donations of blood, of which 17 pints were used during the operation.

L. A. Vincent to Take Messages Overseas

Lewis A. Vincent, general manager of National Board, has sailed on the Queen Mary for a four week trip in Europe. He will address the first meeting of Committee D' Action Pour la Productivite Des Insurances, a division of French Insurance Foundation, at Monte Carlo, April 28-29.

The Committee D' Action is comprised of 50 French insurers and was organized the past year following visits of French insurance men to the U. S. to study operation of American insurance business.

Mr. Vincent will describe fire prevention, research, and engineering provided by the stock fire business in this country.

He will visit the fire offices committee, and its laboratories, at London and will be guest of honor of the committee at a luncheon April 22. He will visit the home offices of English, Swiss and French company members of National Board. He and Mrs. Vincent will return to New York May 13.

Mell Enters Reinsurance

P. H. Mell has joined Deacon, Schnebly & Co., brokerage firm at Philadelphia, to specialize in reinsurance.

For the past year he has been with Newhouse & Mell, reinsurance specialists at New York. He entered the business in Augusta, Ga., as an independent adjuster, later joining America Fore and becoming manager at Philadelphia. In 1930 he joined National Liberty as resident secretary and shortly thereafter was named manager at Philadelphia of Home. He was appointed manager of the middle and southern departments of Pearl-American in 1935, resigning in 1949 to become executive vice-president of Wm. Penn Fire.

This marks the entry of Deacon, Schnebly & Co. into reinsurance.

The second annual dinner meeting of the Atlantic Quarter Century Club was held at New York with 42 attending. The club is comprised of 25 year people with Atlantic Mutual. Speakers were J. A. Bogardus, chairman of Atlantic Mutual, and Miles F. York, executive vice-president. Jesse N. Levine was master of ceremonies.

H. Sumner Stanley, assistant general manager New York Fire Insurance Rating Organization, is speaking April 18 at a combined meeting of agents and field men at Poughkeepsie.

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Chubb & Son Move Is Successful

(CONTINUED ON PAGE 9)

the training period, the company paid their commutation fares. These employees now are working at the Millburn establishment. Many of them were working locally, but probably the majority had been employed in New York City and in Newark. From here on, of course, the company is recruiting starters from the Millburn area, at high school and college sources. Avoidance of the long commutation to Newark or New York has helped sell new employees. The five-day, 36½-hour week is the same as in New York.

For personnel who lived in the New York City area, until their relocation problems were completely solved, the company operated buses from New York to Millburn. This service now

normal operations by 10 a. m.

Another feature at Millburn is the cafeteria within the building where employees eat lunch, and where food is served at approximately cost. This is operated by the Knott hotel chain on a management fee basis. The company also serves coffee at the desks of employees during the morning, which is a contribution to production. In New York City, of course, the morning departure for coffee represents a real loss in productive time.

The problem of close communication between the head office in New York City and Millburn seems to have been readily and successfully met though this was apprehended as the greatest difficulty. The two establishments are con-



Above are shown some of the executive staff at Chubb & Son's Millburn, N. J., office: From left, J. W. Heinlein, H. G. Parker, 3rd, J. J. Schiefflin and Frank McKenna.

is being discontinued because practically all employees working at Millburn are relocated.

The actual transfer of operations in this magnitude for a going company is a task of considerable size that requires careful planning. The new offices opened Nov. 13, a Tuesday, following Armistice Day. In New York City the personnel that were going to move worked until 3:30 the preceding Friday. At that time they began to transfer their work materials and equipment to boxes. Boxes and crates began to move Friday evening. When employees went to work Tuesday morning at Millburn, they unpacked and were performing

ected by a trunk telephone line and a teletypewriter. In addition, two drivers operating station wagons (of which there are three) make two round trips a day each with daily reports and other records, mail and people.

As time goes on, it may be that additional functions will be transferred to Millburn, though in general, the departments now located there are the ones which the organization has found it can successfully perform away from the New York City head office. The loss department, headed by James D. Taylor, is a particularly interesting one to have at Millburn. The type of loss work handled there includes agency casualty, agency automobile, agency inland marine and non-commercial fire. Records for New York City business, in part, will undoubtedly always have to be located in New York City.

Cite Continental Casualty on Policy Issue in D. C.

WASHINGTON — Superintendent Jordan has cited Continental Casualty to show cause at a hearing May 20 why its license may not be suspended or revoked or other appropriate penalty imposed on the ground of alleged violation of the D. C. code. The company is charged with having issued a casualty contract covering insurable interest in D. C. without having it countersigned by one licensed here to countersign such contracts. It is also charged with having issued a policy contrary to pertinent filing in effect for the company by including this exclusion: "Any liability for such loss as is covered on a priority contribution excess or any other basis by a policy of another insurance company," without adding as provided in pertinent filing the proviso that this exclusion does not apply to insured with whom the insurer has agreed that the insurance under the policy for such insured shall be primary as against any insurance afforded such insured under any other policy. A third charge is that the company included a provision that no change of rates shall be effective unless 60 days written advance notice shall be given insured, although this provision had not been filed with the insurance department.

The business involved, it is understood originated in Baltimore for National Truck Rental Co.

The citation grew out of complaint received by Mr. Jordan from an agent whom his office declined to name but who is said to have been a former president of District of Columbia Assn. of Insurance Agents.

The figures in the April 3 issue on Seaboard Surety's annual statement were incorrect in showing surplus at \$852,708. This should have been \$8,852,708.

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Strong Program for Buyers Conference at Wichita

The executives and insurance buyers conference at Wichita April 24 is expected to attract more than 200, with 400 expected for the luncheon addressed by Richard E. Farrer, secretary of National Fire, and former educational director of N.A.I.A.

Other speakers include William J. Mitchell, marine manager of North America, St. Louis; H. O. Molitor, manager dishonesty department Continental Casualty, Chicago; E. S. Vincent, manager Kansas Compensation Rating Bureau and Kansas automobile

assigned risk plan, Topeka; J. L. Sybrandt, Jr., executive general adjuster Western Adjustment, Chicago; L. A. Magill, assistant manager Kansas Inspection Bureau, Topeka; C. J. Wintrol, Royal state agent, Wichita; Jack White, consulting engineer, White & White, Wichita, and Hughes Cunningham, Sheffer-Cunningham, Wichita adjusters.

Sponsored by Wichita Assn. of Insurance Agents, the committee in charge is headed by B. J. Weldon, Dulaney, Johnston & Priest. The W.U.A. film, "Introducing the Policymen," will open the program after greetings from Garnet Mason, Beezley, Outland & Foote,

Wichita president, and Chairman Weldon. A question and answer period is scheduled at the close with adjournment set for 3:30 p.m.

Subjects covered will include fire and associated items, inland and ocean marine, casualty coverages, general liability and property damage, money and securities, comprehensive dishonesty, destruction and disappearance, workmen's compensation, credit insurance, aircraft, fire insurance rating and engineering, compensation rating, casualty and boiler engineering, fire and allied coverage losses and casualty claims.

Invited executives and buyers will be guests of the Wichita association for the luncheon.

Speakers for N. C. Agents' Annual Meeting Announced

Arrangements have been completed for the annual meeting of North Carolina Assn. of Insurance Agents May 1-3 at Pinehurst.

William E. Webb, Jr., of Statesville is now president. He is due to be succeeded at the convention by Robert F. Senn of Greensboro, now vice-president.

Speakers will include Congressman C. B. Deane of North Carolina, Commissioner Cheek, O. Shaw Johnson, Clarksdale, Miss., past president of N.A.I.A.; Ray Murphy, general counsel of Assn. of Casualty & Surety Companies; Joseph F. Leopold, Dallas, public relations counsel; Ernest F. Young, Charlotte, president of North Carolina Institute of Insurance; Reginald L. Price, Charlotte, chairman of the N.A.I.A. accident prevention committee, and Lt. John F. Finnegan, Jr., of the Richmond fire department. A panel on "Prospecting" will be led by David Schenck of Greensboro.

Graves Praises G.A.B.

LITTLE ROCK — Commissioner Graves has high praise for the work of General Adjustment Bureau in handling claim settlements arising out of the tornado which practically levelled Judsonia and struck other Arkansas communities. The commissioner is a resident of Judsonia and consequently had an opportunity to observe the work of the G.A.B. storm office first hand.

He expressed his appreciation in a letter to General Manager J. F. Miazza at Dallas. "I thought that you would be interested to know that a large number of assured in the stricken area have called my attention to the fair manner in which the adjusters dealt with them," he said.

Eastern Leaders



Pictured here are some of the leading figures at the Eastern Agents Conference at Atlantic City. Standing, left to right, are Charles J. Unger, executive secretary New Jersey Assn. of Insurance Agents, and Sidney K. Howell, Morristown, president of that group; seated, l. to r., are H. Earl Munz, Paterson, N. J., new chairman of the conference, and E. S. Cowles, Jr., Hartford, retiring chairman.

Plans have tentatively been completed for holding the 1953 conference annual at Philadelphia April 12-14. More than 500 registered for the Atlantic City affair, a new record.

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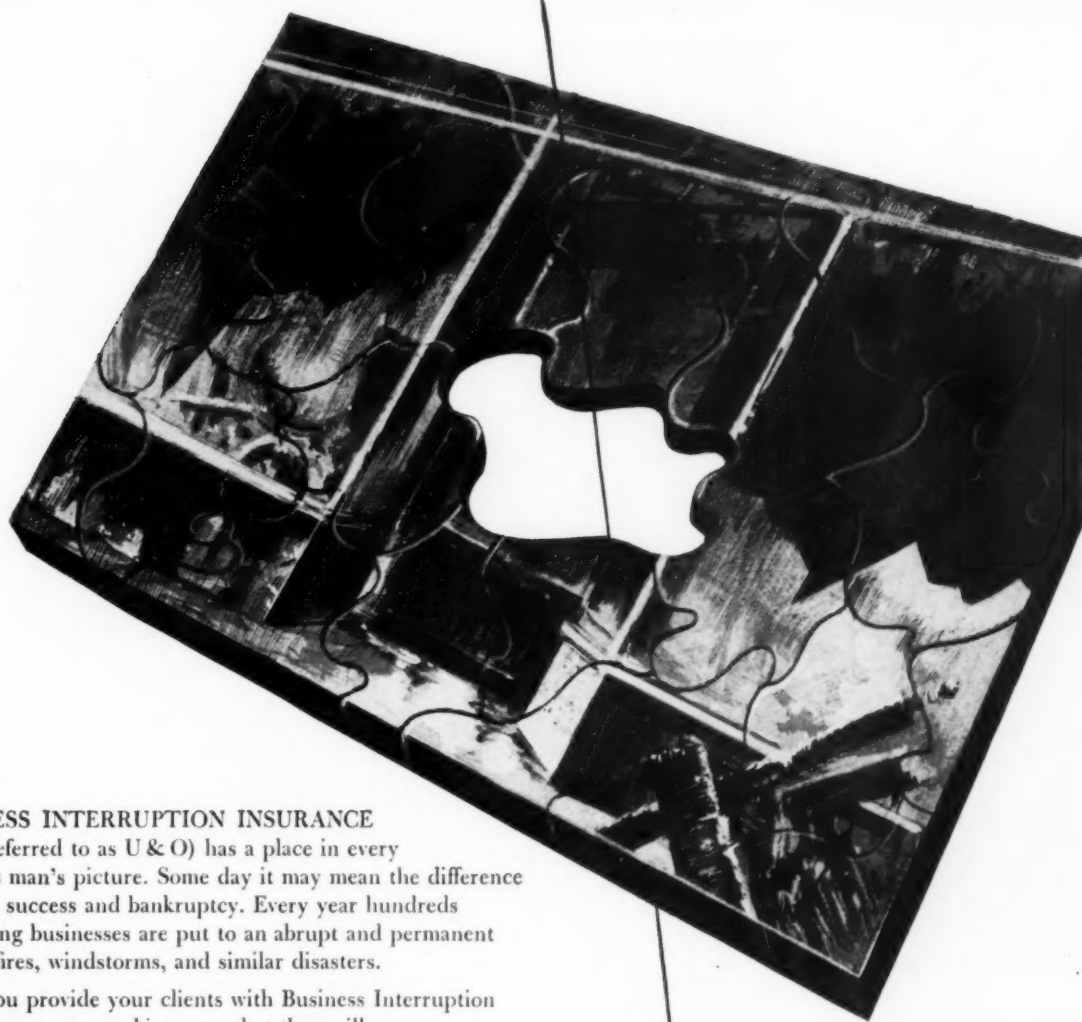
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THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD, CONNECTICUT

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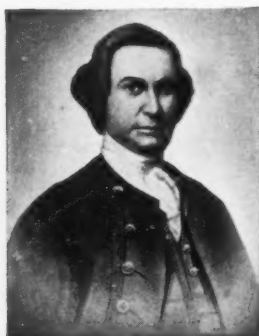
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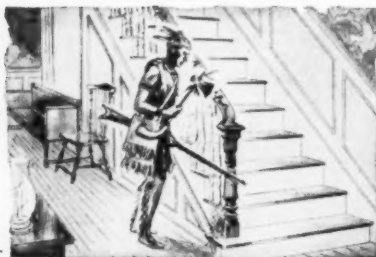
Indians occupied the region in 1738 when young William Johnson arrived from Ireland to manage a huge tract in what is now Fulton County, New York. As settler and fur trader, his honesty and fair treatment of the Indians soon won their respect and friendship to a degree, it is said, never attained by any other white man in this locality. In his official transactions with them he used to wear a scarlet blanket trimmed with gold lace, a gesture which they considered highly flattering. He learned the language of the Mohawks who adopted him as chief with a name meaning Big Business.

Because of his influence "Johnson of the Mohawks" was a key figure in the French and Indian wars. His ability as an organizer enabled the British troops to build a road through the forest to Lake George, thereby defeating the French and saving Albany from attack. In recognition of his contribution to this victory, Johnson was made a baronet.

Johnson Hall, in the present city of Johnstown, was built by Sir William in 1762 on one of the largest properties in all the colonies, and here he lived in baronial splendor. After the death of his young wife, in the custom then locally sanctioned, he acquired an

Indian woman as his second "wife." She was succeeded by Molly Brant who was known as "the Brown Lady of Johnson Hall" and apparently held a position of respect.

According to a local legend, after Sir William's death in 1774, Joseph Brant, Mohawk chief and Sir William's trusted friend, marked the stair rail with his tomahawk as a sign to the Indians that the house was not to be molested. Although the town was burned, Johnson Hall was spared and tomahawk marks are still plainly visible in the mahogany. The house is now under the jurisdiction of the New York State Education Department.



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